

SENATE.

FRIDAY, August 11, 1916.

(Legislative day of Thursday, August 10, 1916.)

The Senate reassembled at 10 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I think we ought to have a quorum present before beginning the labors of the day. I observe but one Senator on the other side of the Chamber. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll and the following Senators answered to their names:

Brady	Gronna	Nelson	Sherman
Bryan	Hardwick	Norris	Simmons
Chamberlain	Hollis	Overman	Smith, Ga.
Chilton	Husting	Penrose	Smith, S. C.
Clapp	Johnson, S. Dak.	Pittman	Smoot
Clark, Wyo.	Jones	Pomerene	Sterling
Colt	Kenyon	Ransdell	Vardaman
Culberson	Kern	Reed	Warren
Dillingham	Lane	Robinson	Works.
Fletcher	Martin, Va.	Shafer	
Gallinger	Martine, N. J.	Sheppard	

The VICE PRESIDENT. Forty-two Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. CURTIS, Mr. HUGHES, and Mr. TOWNSEND answered to their names when called.

Mr. TOWNSEND. I desire to state that my colleague [Mr. SMITH of Michigan] is absent on account of sickness in his family, which has continued for some little time. He is paired with the junior Senator from Missouri [Mr. REED]. This announcement may stand for the day.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present.

Mr. SIMMONS rose.

Mr. KERN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

Mr. SIMMONS. That is the purpose for which I rose.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will carry out the instructions of the Senate.

Mr. OLIVER, Mr. BRANDEGEE, Mr. WILLIAMS, and Mr. BANKHEAD entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

SPANISH RIVER BRIDGE, ALABAMA.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 6372) to authorize the counties of Baldwin and Mobile, Ala., their successors and assigns, to construct, maintain, and operate a bridge across Spanish River at or near the junction of Raft and Spanish Rivers, which were, on page 1, line 4, after "Alabama," to insert "their"; on page 1, line 4, after the word "and" where it occurs the second time, to insert "they"; on page 1, line 5, to strike out "all"; and to amend the title so as to read "An act to authorize the counties of Baldwin and Mobile, Ala., their successors and assigns, to construct, maintain, and operate a bridge across Spanish River at or near the junction of Raft and Spanish Rivers."

Mr. BANKHEAD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

PORT OF NEW YORK.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the League for Municipal Ownership and Operation in New York City with reference to an investigation of the terminal facilities at the port of New York. The communication will be printed in the RECORD and referred to the Committee on Interstate Commerce.

The communication is as follows:

THE LEAGUE FOR MUNICIPAL OWNERSHIP
AND OPERATION IN NEW YORK CITY,
New York, August 10, 1916.

Hon. WOODROW WILSON, President of the United States; Hon. THOMAS R. MARSHALL, President of the Senate; and Hon. CHAMP CLARK, Speaker of the House, Washington, D. C.

GENTLEMEN: The port of New York is not a port of New York State nor of any locality, but of the United States. The problem of the port terminal facilities for all railroads, particularly in view of the shipping arrangements and connections, is a national problem. We are now confronted with a crisis in the port development due to the effort

of the New York Central & Hudson River Railroad Co. to secure a monopoly of the west side of Manhattan from about Canal Street north and of the west side of The Bronx, so that it may prevent other railroads from securing access to the city on the same terms.

We therefore respectfully request that Congress appoint a committee to investigate the port problem of New York City as a national problem, or, if it commend itself to your judgment, that the recently appointed Committee on Railroads include such a study as part of its task.

The Pennsylvania Railroad and the Central Railroad of New Jersey monopolize a large part of the water front of the Jersey shore opposite New York City. The problems of the two sides of the Hudson River are one, in fact, despite the dual governmental control.

The New York Central & Hudson River Railroad Co. has a long unenviable record of manipulation and privilege. It now owns an important, if not the controlling, interest in 8 noncarrier and in 42 carrier companies. It is capitalized for \$400,000,000, and the assessed value of its realty holdings in New York City is approximately \$40,000,000, while the assessed value of realty holdings of one of its subsidiary companies in the city is nearly \$6,000,000.

Because of its easy grades and few curves the Central can carry freight from the west cheaper than most of the railroads terminating on the Jersey shore, but it enjoys the same freight rates, so that it includes the lighterage charges which railroads terminating in New Jersey have to pay on freight carried to New York.

As the late Mr. James J. Hill pointed out, the problem of terminals is the most important problem for railroads to-day.

We are seeking Federal aid to dredge the harbor, which gives the National Government a direct monetary interest in the problem of port development in addition to the vital connection due to the fact that the city of New York is the chief port of the country.

We urge that you will take prompt action on this request, as a proposal is pending to grant this monopoly to the New York Central & Hudson River Railroad Co., which will militate not only against the city of New York, but against the commerce of the country, and most injuriously affect the proper interest of the farmers, at least throughout the Middle West.

Yours, truly,

AMOS PINCHOT,
Honorary President.

FREDERIC C. HOWE,
President.

JOHN J. HOPPER,
Chairman Committee on West Side Improvement.
FREDERIC C. LEUBUSCHER,
Chairman of the Executive Committee.

EMBARGO ON WHEAT.

The VICE PRESIDENT presented a telegram from the National Association of Master Bakers with reference to placing an embargo on the exportation of wheat, which was referred to the Committee on Finance.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15455) to establish a United States Shipping Board for the purpose of encouraging, developing, and creating a naval auxiliary and naval reserve and a merchant marine to meet the requirements of the commerce of the United States with its Territories and possessions and with foreign countries; to regulate carriers by water engaged in the foreign and interstate commerce of the United States; and for other purposes.

Mr. JONES. Mr. President, I see the chairman of the Committee on Finance [Mr. SIMMONS] is present, and I should like to ask him a question or two for information. I want to ask the Senator whether he can tell me what bill it is intended to make the unfinished business when the shipping bill shall have been disposed of?

Mr. SIMMONS. I could not answer the Senator definitely without knowing when the shipping bill will probably be disposed of. If the shipping bill can be disposed of to-day, why, we might take up one bill, and if it can not be disposed of to-day, we might take up a different bill. Does the Senator from Washington think that we can have a vote on the shipping bill to-day?

Mr. JONES. I doubt that; but I had understood that it was the program when the shipping bill was disposed of that the revenue bill would be taken up and made the unfinished business.

Mr. SIMMONS. The program is not a rigid one; it has some little elasticity. The order in which the bills are to be taken up according to the program is to be determined by the steering committee.

Mr. JONES. Well, has the steering committee determined upon what bill will be taken up or is likely to be taken up when the shipping bill is disposed of?

Mr. SIMMONS. That depends, as I tried to state to the Senator a little while ago, on when the shipping bill is disposed of. I will try to answer the Senator as definitely and as frankly as I can. If the shipping bill shall be disposed of to-day, I think probably the workmen's compensation bill would be taken up.

Mr. JONES. If that bill should be disposed of to-day, what bill would then be taken up?

Mr. SIMMONS. We might possibly take up the Philippines bill.

Mr. JONES. The conference report?

Mr. SIMMONS. There are several of those small bills which, likely, will take very little time; and if we had a hiatus of probably a day or two days, as the revenue bill is not ready this morning and will not be ready to-day, we would probably take up one of those bills; especially the workmen's compensation bill might fill in some little time.

Mr. JONES. I want to ask the Senator whether or not the revenue bill since it came over from the House of Representatives has been yet considered by the Finance Committee?

Mr. SIMMONS. The revenue bill has not yet been laid before the full membership of the Finance Committee. The revenue bill has been under consideration, however, during the last month by the majority membership of the committee, in pursuance of the custom and practice that has obtained in the Senate with reference to revenue bills from time immemorial.

Mr. JONES. So that, as I understand, the revenue bill has not yet been given any consideration in the full committee?

Mr. SIMMONS. No; the revenue bill has not yet been taken up by the full committee.

Mr. JONES. As I understand, the majority members of the committee have not yet agreed upon the terms of the revenue bill?

Mr. SIMMONS. Practically the majority members of the committee have done so. There is only one subject with reference to which we have not finally come to a conclusion.

Mr. JONES. Will the majority members of the Finance Committee submit their agreement to the full committee before it is submitted to the Democratic caucus, or will they first submit it to the Democratic caucus?

Mr. SIMMONS. They will first submit it to the Democratic caucus. They have already—if the Senator wishes to go into that—submitted it to the Democratic caucus. The Democratic caucus is now considering it; but I should say that there is one title of the bill that we have not yet submitted to the caucus, because the Democratic membership of the committee has not yet agreed as to that. I have no doubt, however, I will state to the Senator, that at our meeting this morning we shall agree.

Mr. JONES. Is that to be a meeting of the committee members?

Mr. SIMMONS. It is the meeting of the Democratic committee members, yes. I have no doubt we shall agree this morning, and that at our caucus to-night we shall be prepared to present the whole bill as we have amended it.

Mr. JONES. Can the Senator give me any idea as to the time the bill is likely to be considered by the Democratic caucus?

Mr. SIMMONS. I could not give the Senator anything more than a conjecture. I have very strong hope that we shall be able to lay the bill before the full committee on Monday, and that on Tuesday morning I shall be able to present the bill to the Senate.

Mr. JONES. So the Senator hopes that the Democratic caucus will be able to complete its consideration of the bill this week?

Mr. SIMMONS. Yes.

Mr. JONES. And that on Monday he will present it to the full committee?

Mr. SIMMONS. That is what I hope, and what I believe we shall be able to do.

Mr. JONES. And he will expect the full committee to act upon it immediately without any further consideration, and he will be prepared to report it on Tuesday?

Mr. SIMMONS. I will state to the Senator that I have been a member of the Finance Committee for now quite a long time. Several tariff bills have been framed since I became a member of that committee—one in 1909, known as the Payne-Aldrich bill. That bill was framed altogether by the Republican members of that committee, without any consultation whatever with the minority members. When it was finished we were called together; it was laid down before us and we were told to take it or leave it. We took it because we could not help ourselves. I do not know, and therefore can not say, whether or not the full committee will require a long time for the consideration of the bill or not; but I know—

Mr. JONES. The Senator, however, is—

Mr. SIMMONS. Will the Senator permit me to finish?

Mr. JONES. I was not asking for all these explanations. I was simply asking for facts; that is all I wanted.

Mr. SIMMONS. I shall be through in one second. I know when we passed the present tariff act this same course was pursued. We presented it to the full committee, and we were through with our labors in a very short time. The same thing was done with reference to the present emergency act. I am merely meaning to say that heretofore—I am not making any criticism

of the Republican action in establishing this precedent—but I mean to say that heretofore no time has been consumed in the full committee after the majority membership have reported the result of their deliberations.

Mr. JONES. Merely in the interest of the facts, I will ask does the Senator know whether or not the Payne-Aldrich bill was submitted to the Republican caucus in the Senate?

Mr. SIMMONS. I think Senator Aldrich was the caucus probably at that time and the committee, too, very largely.

Mr. JONES. That is the Senator's idea of the Republican caucus?

Mr. SIMMONS. I think that was about what it resolved itself into at that time.

Mr. SMOOT. The Senator from North Carolina is mistaken about that.

Mr. JONES. The Senator knows, as a matter of fact, that that bill was not submitted to a caucus?

Mr. SIMMONS. I have no recollection of that having been done.

Mr. JONES. It is my recollection that it was not.

Mr. SIMMONS. Not a caucus of the full membership of the Republican side, but probably a caucus of the controlling few.

Mr. JONES. Of course the Senator has no more right to make an assertion of that kind than we have to assert that because he is the chairman of the Finance Committee whatever he says goes, and that they merely go through the form of sending the bill to a Democratic caucus.

Mr. SIMMONS. There is pretty good evidence in the present situation that that is not the case.

Mr. JONES. That is the Senator's view. I have my idea of it. I have an idea that, as a matter of fact, the bill will be determined at some place other than the Democratic caucus, by somebody other than the Democratic members of the Finance Committee, and that it will be determined by somebody other than the membership of the House of Representatives or of the Senate, and by the same power that has practically determined the action of our Democratic friends with reference to several different kinds of legislation.

But, Mr. President, I did not intend to make any suggestion of this kind. I simply wanted to get at the facts in order to a certain extent to govern my action with reference to the shipping bill as to the time I might desire to take in connection with that measure, which I know the caucus has decreed shall go through in a certain way. Now, if it were the intention to take up the revenue bill—and, by the way, the Senator refers to tariff bills. Does the Senator call the revenue bill a tariff bill?

Mr. SIMMONS. No; it is a revenue bill; but they have been treated alike. There are some tariff items in the bill.

Mr. JONES. I did not understand the Senator's last remark.

Mr. SIMMONS. I say there are some tariff items in the bill, but it is a revenue bill. However, revenue bills and tariff bills have generally been treated alike as party measures.

Mr. GALLINGER. Mr. President, will the Senator from Washington yield to me for a moment?

Mr. JONES. I yield.

Mr. GALLINGER. I want to say to the Senator from North Carolina that the shipping bill will not be disposed of to-day. It may possibly be disposed of to-morrow afternoon, but, in my opinion, it is quite as likely to go over until Monday.

Mr. SIMMONS. I thank the Senator for the information. I have tried to answer the Senator from Washington very frankly, and I desire to say, in addition, that I hope to be able to present the revenue bill to the Senate on Tuesday morning, and trust that he will be in a situation then to take it up immediately and proceed with its consideration to a final vote.

Mr. JONES. As to that, I want to ask the Senator if the shipping bill is not disposed of by Tuesday morning, and the committee is prepared to report upon the revenue bill, whether that report will be submitted?

Mr. SIMMONS. The report will be submitted, but of course we would not undertake to displace the shipping bill.

Mr. JONES. Does not the Senator think it would be very desirable that those Members of the Senate who have not had access to the secret meetings of the Democratic members of the Finance Committee, who have not had access to the meetings of the caucus, who do not know anything about what the committee is going to report, and will not know anything about it until Tuesday morning, should have some little time to consider the measure which the Democratic members have been considering for several weeks, and, therefore, does not the Senator think that it would be well to have his revenue bill reported as soon as possible, and then not have it taken up as the unfinished business for at least two or three days, until other Senators can have an opportunity to inform themselves with reference to its provisions?

Mr. SIMMONS. I will state very frankly to the Senator that on Tuesday, when I present the revenue bill, if I am able to do so at that time, if Senators on the other side, members of the Finance Committee especially, should ask for a day or two days' delay in order that they may examine the bill, if there is anything that we can take up to fill in that time, I shall be very glad to extend to them that opportunity. I want to say, however, to the Senator that we have had printed the only hearings that I think were had, and we have also had the briefs printed and hope to get them to Senators to-morrow. Every day as the committee has proceeded in a general way we have given to the press the result of our action during that day; so that the Senate, as well as the public, have had an opportunity to keep up in a general way with what we were doing in the committee. Of course things that we have done in the committee may be somewhat modified, and I see the force of the Senator's suggestion.

There is no disposition on our part not to permit the minority to have ample opportunity to examine the revenue bill before we take it up for consideration, if we can do so; and if the shipping bill is not finished until Monday, and I should report the revenue bill on Tuesday, I would be perfectly willing to take up the workmen's compensation bill or any of several other measures which will not consume very much time, some of which can be disposed of, in all probability, in a day, and some in less than a day, although others may take two or three days. We might fill in three or four days in that way and give the minority members opportunity to further investigate and examine the revenue bill.

Mr. JONES. I thank the Senator for his frankness in giving me the information desired.

Mr. GALLINGER. Mr. President—

Mr. JONES. I yield to the Senator.

Mr. GALLINGER. When the Senator kindly yielded to me before I meant to say to my friend the Senator from North Carolina that all this legislation will be greatly expedited if the majority tries to furnish a quorum at 10 o'clock. I have been here every day, with one exception, since Congress assembled in December, helping to supply a quorum. I do not know how long my strength will hold out or how long my sense of duty will impel me to come here at 10 o'clock in the morning to supply a quorum for the majority of this body. We wasted 20 minutes this morning and 20 or 25 minutes yesterday in getting a quorum, and the Senator must not be surprised, and complaint must not be made, unless matters are expedited by a quorum being supplied by a party that has 17 majority in this body, if some of the rest of us conclude to take a little rest in the forenoon.

Mr. SIMMONS. I think there is justification for the criticisms and even the strictures of the Senator from New Hampshire. No one regrets more than I the fact that we can not secure prompt attendance at our early morning sessions; but we are doing everything we can to bring about a better situation in that respect, and we will continue to do so, and I hope we will improve somewhat. If the Senators on the other side, however, would attend in larger numbers it would help those of us on this side who do come to make a quorum. Of course, the obligation is on us; I recognize that the Senator is entirely right about that; but I hope that there will be no disposition by Senators on the other side of the Chamber to embarrass us in getting a quorum by absenting themselves.

Mr. GALLINGER. Not at all.

Mr. SIMMONS. I do not say that there is any.

Mr. GALLINGER. None at all.

Mr. SIMMONS. But I hope there will be none.

Mr. GALLINGER. None at all, except that we are getting a little discouraged, being called here at 10 o'clock in the morning on these sultry days and required to remain here until half-past 6, when it is becoming incumbent upon us to supply a quorum. We would like very much to have our burdens alleviated as much as possible by our friends on the other side.

Mr. SIMMONS. Mr. President, just at this particular time we seem to have rather a better attendance over here than on the other side.

Mr. THOMAS. Mr. President, may I ask the Senator from New Hampshire, before he takes his seat, whether the Senators upon the other side of the Chamber intend to occupy the entire day in the discussion of the shipping bill?

Mr. GALLINGER. I should think so, although possibly not.

Mr. THOMAS. I have an amendment to the bill which I desire to present briefly, but will probably be otherwise engaged to-day, and if the Senator intends, or if the Republican Members of the Senate intend, to occupy the day I shall make no effort to address the Senate until to-morrow.

Mr. GALLINGER. I will frankly state to the Senator from Colorado that, as I understand the situation, the Senator from Washington [Mr. JONES] will complete his address this morning. I shall occupy probably about one hour, and I think the junior Senator from Ohio [Mr. HARDING] will probably be prepared to speak, but I do not know how long he will occupy. I think the Senator will have an opportunity during the day to speak on the amendment to which he has referred.

Mr. THOMAS. I do not care for the opportunity, Mr. President, unless it is necessary to expedite the consideration of the bill. To-morrow will suit me quite as well.

Mr. SIMMONS. Mr. President, I desire to make one further observation. I think probably attendance on this side and on the other side would be somewhat improved if it were understood that both sides were eagerly and actively cooperating to get through with this legislation and to get home. There has been a little suspicion that there was a disposition to unnecessarily prolong the discussion, and I think that policy has had something to do with the meager attendance that we have sometimes had. But I understand that the minority now give us assurances that there will be no disposition whatever to indulge in any unnecessary discussion.

Mr. GALLINGER. That has been announced over and over again by Senators on this side of the Chamber; and I want to ask my good friend from North Carolina—because we are good friends—that he drive from his mind those evil suspicions that he has of the Members on this side of the Chamber. We are good-natured. We would defeat all this legislation if we could, but we know we can not; and we are quite as anxious to go home, after proper legislation has been enacted, as can be the Senator from North Carolina or his associates.

Mr. SIMMONS. The Senator understands I have no personal suspicion. It is rather in the nature of a political suspicion.

Mr. JONES. Mr. President, the Senator says that it has been suspected that there was some purpose of delay on this side, and so on. I submit that there is nothing in the Record, nothing in the proceedings of the Senate, to warrant any such suspicion as that, so far as this side is concerned. My judgment is that an examination of the Record will show that more time has been occupied on that side of the Chamber during the last three or four months, if not during the entire session, than upon this side of the Chamber.

Mr. HARDWICK. Mr. President, if the Senator will yield to me for just a moment—

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Washington yield to the Senator from Georgia?

Mr. JONES. Certainly.

Mr. HARDWICK. That is perfectly natural when this side is responsible for legislation, and the Senators on this side are reporting bills, defending them, and explaining them to the Senate; so it is hardly a fair criticism.

Mr. JONES. Yes; but it seems to me there is nothing to justify the Senator from North Carolina in saying that they are suspicious on that side that unnecessary delay has been caused on this side.

Mr. HARDWICK. That may be. I am not passing on that question.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. JONES. Yes.

Mr. TOWNSEND. I would suggest to the Senator also the other fact, that the legislation that is presented here generally has been legislation that has been considered in secret caucus and has been discussed on that side, and the first impression we get of it is when it is reported here to the Senate.

Mr. HARDWICK. That is not true in the majority of instances. It has been true in a very few instances.

Mr. TOWNSEND. Well, in the case of all the large bills—all the bills that have occupied considerable time.

Mr. HARDWICK. Just one or two bills; that is all.

Mr. JONES. Mr. President, I have gotten the information that I desired; and now I will state to the Members of the Senate, for their convenience and in order that possibly it may expedite the business of the Senate, that I shall take until about 12 o'clock, and under the circumstances I do not expect and do not care whether Senators remain here or not. In fact, I should prefer that they go about the necessary business of the Senate, in order to expedite the conclusion of the session.

Mr. KENYON. What time did the Senator say he would finish?

Mr. JONES. I will go on until 12 o'clock, anyway, from the notes that I have here. I will say that I give this notice largely for the benefit of the Democratic members of the Finance Committee and the Democratic caucus, so that they can "get a move on them" with this revenue bill that they are trying to get up.

I am anxious that it shall get out here just as soon as possible, so that we will have an opportunity to consider it for a while, and then proceed with its consideration in the Senate, and get through with it as soon as possible.

[Mr. JONES resumed and concluded the speech begun by him yesterday. The entire speech is as follows:]

Mr. JONES. Mr. President, I appreciate the conditions under which we are considering the shipping bill and under which Senators have been laboring for a long time. We have been meeting at 10 o'clock in the morning and remaining in continuous session until 6.30 in the evening. In addition to that we have our committee meetings to attend, departmental work to look after, and also work at our offices that must be attended to. The temperature has been about 90 degrees and the humidity has been very high. Under the circumstances I know that many Senators are almost exhausted, mentally and physically. It is not surprising, therefore, that there is not very much interest being taken in the shipping bill.

Not only for these reasons, but also because of the fact that the bill has been up for consideration heretofore and has been considered at considerable length—although it has been very materially changed from what it was at that time—and that it is also understood that under caucus action no changes can be made in the bill as reported, that no amendments can be added to it, and that the bill is going to pass as reported by the caucus through the committee, I want to say to Senators who are here that they do not need to remain unless they desire to do so.

Mr. BORAH. I trust the Senator does not insist on our going?

Mr. JONES. I think that for "the good of the service" I ought to insist upon your taking a little rest. I desire to say that I am going to take about the remainder of the day in considering the matter. I say that, so that Senators who may not desire to stay here may go to their offices or go anywhere else that they desire to go, and I shall not yield, so far as I can retain the floor, even for a call for a quorum. Therefore Senators will not be disturbed.

Mr. President, never was party expediency so patent in legislation as now. Convictions are sacrificed and mature beliefs in the fundamentals of constitutional government are thrown to the winds to promote party success. Sentiment is strong for child-labor legislation by the Federal Government. Republicans were for it and for enacting it at this session. A majority of the Democrats were against it because of their belief in the doctrine of State rights. They were not in favor of acting upon it at this session. Their caucus arranged a program. Child-labor legislation was omitted. This must have been done with the approval of the President and with the knowledge that he was opposed to such legislation as unconstitutional. The political effect of such action soon became apparent. Fearful of it, the President, who had deliberately and maturely declared such legislation not only unconstitutional, but absurd, without any expression of any change of view, communicated to some of the leaders of his party that he desired this legislation passed. He did not communicate his views to Congress, but he did emphasize his suggestion by coming here to the Capitol in person and conferring privately with some of the leaders of the Democratic Party.

I have heard it suggested, Mr. President, that this was a sort of prearranged theatrical performance; that it was understood as a part of the program that the Democratic caucus would leave this legislation off its program, and this would give the President the opportunity to come down to the Capitol and have it heralded abroad through the press that he had forced his party to take up this legislation, and in this way to secure some credit for this legislation. Whether that is so or not, it is very much in line with the policy that has been largely pursued with reference to various legislative matters. What was said by the President only those Senators who conferred with him know, but the caucus was called together again. Why? What was the need of such action? Republicans were for the legislation; they were not opposed to it; they were urging its passage; they were demanding early action upon it. The caucus was necessary either to carry out this theatrically staged performance or it was necessary to suppress Democratic opposition. The caucus ordered the bill taken up. It was passed; and yesterday afternoon a great newspaper, fully aware of all the facts, said editorially:

The President himself is not committed to the constitutionality of the bill; rather the other way; but he wanted it, and will sign it on the score of political expediency. He needs the bill in his campaign.

The immigration bill was on the legislative program, according to the newspaper reports and according to the general understanding about the Senate. The people want it; their Senators are for it; the President is against it. He thinks it is

politically unwise to pass the bill now. He does not want to have to veto it on the eve of a campaign, and so he decrees that it go over. The Democratic caucus, again bowing to the Executive will, declares that the bill shall not be taken up.

Rather an unusual performance took place to-day. During the morning hour, soon after the Senate met, under the order of business of petitions, the Senator from Arizona [Mr. ASHURST] rose and announced that he proposed to see to it that the Senate should take a vote on the immigration bill before the session is over. Following suit, the distinguished Senator from Montana [Mr. MYERS] made the same announcement; and yet, upon a motion to take it up a few days ago a solid Democratic vote is recorded "nay" and a solid Republican vote is recorded "yea." This vote will be found at page 11873 of the CONGRESSIONAL RECORD of July 31. It is interesting to note that upon that roll call the distinguished Senators who announced to-day that they proposed to have a vote on the bill are recorded as not voting; but, as I have said, every vote to table the motion to take up the immigration bill was a Democratic vote, and every vote against tabling that motion was a Republican vote. The ambassadors of sovereign States obey the Executive mandate and caucus decree rather than the people's will. The people themselves will pass upon the record thus made.

Mr. President, I do not propose to discuss the propositions that have been before the Senate to-day. It did occur to me, however, that if a simple, plain statement of fact like that made by the Senator from Michigan [Mr. TOWNSEND] can cause so much commotion, so much apparent excitement and uneasiness, and such loud protests from our Democratic friends on the other side, they will certainly be in such a hysterically delirious state of mind before November comes around that will be beyond the conception of any finite mind.

Mr. President, the bill that is under consideration is known as the shipping bill. It is another party caucus decree imposed upon an unwilling majority by Executive domination. Its fundamental principles are not approved by a majority of the Democrats, much less by a majority of the membership of Congress. It is another headstone erected at the grave of another discarded pledge of the Democratic platform of 1912. The uncertain, hesitating, vacillating, erratic action of the Executive is and has been reflected in the same kind of action by the majority in Congress. It has been reflected with reference to this measure.

Last Congress the ship-purchase bill, so-called, was presented. It was very earnestly urged by the Executive and by the executive departments. It was a departmental framed and conceived measure. It did not have the approval of the great majority of the Democratic Members of this body, but it was pressed upon us as an emergency measure. Advantage was taken of the conditions created by the war to press the measure upon Congress for consideration. It was urged that it must be passed; American shippers were without transportation facilities; freight charges were very high; and the only relief that was offered after the emergency shipping bills that had been enacted was the passage of this measure as it was then presented. The bill now before the Senate is very much different from the bill that was urged then.

That bill went through a peculiar performance. It was introduced here, went to the committee, and was reported; then objections were made to it, objections were presented to the different provisions of it, and substitute after substitute was reported. The country thought the bill would furnish them some relief. Determined opposition was made to it, not only on this side of the Chamber but on the other side of the Chamber. The methods of the opposition were vigorously denounced. All sorts of parliamentary schemes were devised in order to overcome the opposition. It was attempted to make the country believe that the opposition to the bill was a captious one, and that the majority sentiment of this Chamber was being thwarted; and yet, Mr. President, the RECORD will show that at no time was there a measure before this body for passage that commanded a majority vote of the Chamber.

The bill failed. We went home last summer and came back here in December, and have been in continuous session ever since. There has not been any special hurry about pressing this bill that was so urgent during the short session of the preceding Congress. Almost every conceivable kind of legislation has been taken up ahead of this bill. The Executive has not seemed to be very urgent about it. The departmental heads did not seem to be so insistent upon it, and many began to expect that the bill probably would not be pressed. Senators on the other side of the Chamber from time to time expressed the hope and the belief that the bill really would not be urged for final action. Many of them hoped that it would not come to a vote. They did not believe in it. They do not believe in it

principles now. They do not believe that it will be of any special benefit to the people of the country, and they do not believe that it will rehabilitate our merchant marine.

It is framed on principles that are against their lifelong convictions, and, as I said, they hoped it would not be pressed. They thought it would not come up, but they could not escape the Executive mandate. Notwithstanding the fact that apparently there are no ships that can be purchased—at least, none that can be purchased at a reasonable price—notwithstanding the fact that no ships can be built for possibly two years, notwithstanding the fact that any alleged emergency can not possibly be met by this bill, word came down to the majority that they must pass it.

Why? Well, I do not know; but I have my ideas about it. I am inclined to think that its passage has been insisted upon simply to show that they can do it; that it has been insisted upon to satisfy somebody's vanity; that its passage is insisted upon simply to show the minority and the people of the country that when the Executive and the executive departments want something done, and decide that it shall be done, they can get it done.

Furthermore, I believe that behind the pressing of this bill now is about the same idea that there appears to be behind some of this other legislation. There is politics in it. There are political motives. It is thought, I suppose, that they can make the people of the country think that some great thing has been done toward building up the merchant marine of this country, and when this bill is passed our friends will go out on the stump and tell the people what wonderful things they have done toward building up an American merchant marine.

The American people are anxious for a merchant marine. We all want to see ships flying the American flag, manned by American sailors, carrying American products to all the markets of the world; and if our opponents can just simply tell the people that they have done something to bring about this desired end they think that the people will not look very much further; that they will not examine the particular legislation to see whether or not it will really do what they claim it will do, but that they can simply say, "We have passed legislation for the upbuilding of the merchant marine," and that will end it.

Of course the election comes in a couple of months. Nothing can be done under the bill before that time. Its effect can not be determined. They may start the members of this board to drawing their \$10,000-a-year salaries. That may be done; but that will be as far as any accomplishment will come about before election. That is the way it has been with reference to a good deal of this legislation that they have passed and of which they are so proud.

The child-labor bill, for which most of us are heartily in favor, has been put off until the session is nearly over. It has not been pressed until just the last few days, and it does not go into effect for a year, so that the beneficent results that we hope will come from that legislation will not be taking effect until this administration is out of power.

Mr. FLETCHER. Mr. President, may I interrupt the Senator to suggest that it was the effort of the Democratic friends of this measure to have it on the statute books as much as a year ago?

Mr. JONES. Oh, I have gone over that.

Mr. FLETCHER. It is not a new proposition, so far as this side is concerned. It can not be claimed that it is done now for election purposes.

Mr. JONES. I am afraid the Senator has not honored me by his presence. I have not asked him to do so and I do not expect him to stay here, but I have already expressed my views with reference to that matter. I have not seen any special activity toward pressing this bill to passage until just the last month or two. As a matter of fact, as I said, a good many Senators on that side of the Chamber privately expressed from time to time the hope and the belief that the bill would be allowed to slumber and pass over, and that it would not be passed; but that, of course, is not a matter of record, and may not count for anything.

Mr. FLETCHER. I will say to the Senator that I have not been present during all of his remarks; but I distinctly heard, as I thought, the proposition that there was no chance whatever of getting ships, and therefore this was simply a play to the galleries before the election; and I wanted to remind him, in that connection, that this effort was made over a year ago.

Mr. JONES. Oh, that was not the reason I gave for thinking that this was simply a play for the election—the fact that the ships can not be purchased, or anything of that kind; but it was the dilatory way in which this bill has been pressed during the last year that led me to conclude that the main purpose

of pressing it now is to get it through so that the Democratic Party could say at election time that they had done something, or tried to do something, for the American merchant marine. Of course, my friend from Florida will not agree to that; I know that; but I form my opinion simply from the record and from what has been done and from what has not been done. I form my opinion largely because of the intense activity during the short session a little over a year ago, and the urgent appeals made then for the immediate passage of the bill, and the very dilatory action and the sort of half-hearted way in which the bill has been pressed during the last year.

Then, there is the rural-credits legislation. That was passed finally. It went all through the two years of the first part of this administration and very little was done with reference to rural-credits legislation, although it was declared, I think in one of the first messages of the President, that it was of equal importance with other banking legislation. Yet nothing was done. It was not pressed. It was not urged. Nothing was enacted, and this session got very far along before the legislation was passed. The board provided for in that bill has just been appointed, and now it is stated that it will not go into active operation for six months; so that there will be nothing coming to the people prior to the election to show them any of the benefits of the legislation that has been enacted.

The benefits will all be in the future, and whatever political advantage may come from anticipated benefits will of course come to our Democratic friends from this legislation. It will be found to be a mere makeshift; an expensive, cumbersome, and burdensome system that will have to be perfected and simplified by the Republican Party. It will do this promptly after the 4th of March.

I simply call attention to this condition of the record in the hope that the people will just consider these things a little bit when our Democratic friends are telling them what wonderful things they have done for them. You will not be able to put your finger upon any very substantial benefit that can be traced to Democratic legislation.

Mr. President, as I said a moment ago, everybody is anxious for an American merchant marine. Everybody realizes its importance to every industry in the country and to every class of our people. It is a part of our patriotic desire that we should see the American flag flying upon American ships in the harbors of the world and across the seas from continent to continent. Its importance as a means of defense in case of war, its importance as a matter of industrial preparedness, can not be questioned. That is beyond argument. We need not point out the necessity and the importance of a merchant marine. We need not cite the opinions of the fathers of the Republic as to our need of a merchant marine and as to its importance in time of war and in time of peace. Everybody appreciates that.

It is said that the purpose of this bill is to build up an American merchant marine; that that is the intention of those who press it. With the declared purpose and with the declared intention, nobody can be in disagreement. The main question and the sole question is whether this bill will accomplish the purpose and the ends desired by everybody.

Mr. President, the question of building up an American merchant marine is not a party question; at least, I do not consider it a party question; I never have considered it a party question. I have hoped that legislation for its development could be framed and passed free from partisanship. There has been heretofore no substantial difference in party platform declarations with reference to the building up of an American merchant marine. Of late years the only declarations that we have had in party platforms have been of a general character. We have not gotten down to specific methods or specific plans. The last specific declaration of the Republican Party was in 1896—that is to say, that is when they declared for a specific plan of building up the American merchant marine—and I want to read the platform then:

We favor restoring the American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign carrying trade, so that American ships, the product of American labor, employed in American shipyards, sailing under the Stars and Stripes, and manned, officered, and owned by Americans, may regain the carrying of our foreign commerce.

Mr. President, in my judgment, that was not only a patriotic declaration, but it was a wise declaration. It was the declaration of a wise policy to be pursued by this country. It was a declaration in favor of a policy that had been tried and tested in the early days of the Republic and had been found to be most efficient. Under this policy our merchant marine sailed every sea and entered every harbor. Our ships were the superior of the ships of any other nation.

Our sailors were the superior of those of any other nation, and through our shipping, through our seamen and our sailors,

our Navy was able to gain victories in the War of the Revolution and the War of 1812 that not only reflected glory upon our sailors and our seamen, but that really brought victory out of defeat and saved our Republic from humiliation, if not from overthrow.

The Democratic platform of 1912, as I construe it, declared for the same policy, although not definitely or in so many words. The declaration is as follows:

We believe in fostering, by constitutional regulation of commerce, the growth of a merchant marine which shall develop and strengthen the commercial ties which bind us to our sister Republics of the South, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.

Mr. President, when that platform was uttered the Democratic Party was in control of the House of Representatives. It had been in control for two years. Legislation for the upbuilding of the merchant marine had been presented. The bills had been reported from the committee, which was controlled by Democrats. What did they propose? Did they propose Government ownership? No. Did they propose Government operation? No. Did they propose Government purchase? No. They proposed a system of discriminating duties, and a bill was reported to the House carrying a provision for discriminating duties for the building up of the American merchant marine, and my recollection is that that provision in the bill met with the unanimous approval of Democrats and Republicans.

During that session one of the most distinguished Members of this body, one of the most able Members of this body, was chairman of the Ways and Means Committee of the House of Representatives. He was the majority leader on the floor of the House, and he made a powerful speech in favor of building up the American merchant marine and in favor of a particular policy for doing that very desirable thing. What did he urge? What did he press upon his party colleagues and upon Congress? He urged the system of discriminating duties, and he presented in favor of that policy an argument which, in my judgment, is unanswerable.

What had the Democrats in the House of Representatives proposed when they were in the minority during the many years of Republican control? Had they proposed Government ownership? No. Did they propose Government purchase of ships? Did they propose Government operation of ships? No; but time after time they filed minority reports recommending and urging the establishment of the system of discriminating duties, and presented in these reports an argument which has not been answered to this day.

Mr. President, it is for these reasons and because of this action by the Democrats in the House when they were in the minority and when they were in the majority that I assert that their platform of 1912 was a declaration in behalf of the system of discriminating duties.

There, Mr. President, was a common ground upon which all parties could have gotten together upon this great proposition. In my judgment there is a common principle or policy upon which the great majority of the Members on both sides of this Chamber could unite; and, in my judgment, it would result in the permanent building up and development of a merchant marine for this country.

The Senator from North Carolina [Mr. SIMMONS] on yesterday twitted the Republicans because we had done nothing, although we were in control of the Government for a great many years. Well, that is true. We did not pass legislation for the building up of the merchant marine. We did not do it for the same reason that you did not do it during the first two years of this administration—simply because there were some in our own party who, joining with the opposition, were able to defeat the propositions that the majority presented. It is true that the Republican majorities presented what might be considered and has been termed a subsidy plan and a subvention plan or fast ocean-mail pay plan. As I say, this did not command a majority, and so nothing was done. Republicans called no party caucus to stifle honest opinions and sincere convictions. Every Republican Senator and Representative was left free to discharge his duty as a representative of the people.

But you now are in a position of taking up plans that you never indorsed before, that you never advocated before. You are now in a position when you get in power of abandoning every proposition that you advanced when you were in the minority. Why have you done it? It is harder for you to explain why you have done that than it is for us to explain why we did not pass any legislation. If your party believed when it was in the minority in the discriminating-duty plan, you would not have had a bit of trouble in passing a proposition of that kind

when you were in the majority. You could have passed it in the last Congress if you were in favor of it when you were in the minority and continue to be in favor of it. You could not only have passed it by your votes, but you could have secured at least a majority of those on this side of the Chamber for it. Why do you not press it now? Were you sincere when you were in the minority? If so, why have you changed? If you were insincere, why?

Mr. President, during the first Congress of this administration you did make a feeble attempt at doing this. You did show that you really believed in that policy, and in your tariff bill the House of Representatives put in a provision, weak it is true, very ineffective it is true, but nevertheless embodying the principle of discriminating duties. In the Senate you struck it out, and you struck it out by Democratic votes. It could not have been stricken out in any other way, because there were several Republican votes in favor of that provision. It went to conference. Our esteemed colleague the Senator from Alabama [Mr. UNDERWOOD] was one of the conferees and he insisted upon that provision. I do not remember now whether it was modified or not, but the principle of it was embodied in the bill and it became a part of the law.

It applied, however, only to those countries with whom we had no treaties that would be contravened by its terms. There are no very important countries that it applied to. It did not amount to very much, and yet little as it was, what did your administration do? As I understand it, public officials are sworn to support the laws that we pass and the Constitution, and yet your Attorney General's office has appeared in opposition to that law, and instead of trying to sustain it your administrative officers and your judicial officers have been doing their utmost to defeat it. So I understand it is now before the Supreme Court of the United States with the Attorney General's office represented against the law.

Mr. President, the administration took up something else. Another plan suggested itself to them, and they prepared the bill and sent it down to us expecting us to pass it if they did not order us to do it. You took up something that had never been submitted to the people of the country. You took up something that had never been passed upon by the people of the country. You took up something that you had not declared for in your platform, but which, in my judgment, is squarely against the declaration in your party platform of 1912. In that platform you specifically declare that you will not place any burden upon the Treasury of the United States. Yet you propose to take out \$50,000,000 directly from the Treasury to put this plan into operation. You have denounced subsidies and yet this bill will in effect be a far greater subsidy than was ever proposed by any of the much-denounced subsidy bills.

You involved in it a principle that the American people are against except as a last resort, and that is Government ownership. No party platform has even declared in favor of it. At no national election has the policy been indorsed or approved. Yet that was the fundamental principle of the bill that was submitted by your administration and pressed upon Congress day in and day out. But it was finally defeated. It is still the fundamental policy of this bill, although acknowledged by few.

If you read the debates in another body with reference to this measure, you will find that those urging this bill disavow their belief in Government ownership. You will not find the proponents of the bill in this body favoring Government ownership. They present this bill and urge it upon special grounds. They urge it as meeting a special emergency. They urge it as providing for a naval auxiliary. They try to avoid the fundamental principle of the bill.

Mr. President, if this is a bill for the development of an American merchant marine, if it is a bill for the building up of the American merchant marine, it must embody a policy that is applicable not only to the present but to the future, and more to the future than to the present. If there is any policy in this bill it is the policy of governmental ownership. If that policy is not in the bill then there is no policy in it and it is a mere makeshift, a mere sham, a mere fraud, a mere pretence. If that is the policy we need not expect private capital to try to compete with it or the Government.

Mr. President, we need a policy for the upbuilding of the merchant marine. We are not so much in need of something to meet an emergency as we are in need of something that will develop a merchant marine for the future necessities of the country, for the future necessities of our commerce, and to take care of the situation that is bound to confront us when the present abnormal conditions are over, and when an almost equally abnormal condition will come the other way. What

we want is not so much a policy or a plan that will bring ships immediately to our assistance as a policy that will develop ships for the future and that will develop a privately owned American merchant marine and continue the activity that is now under way.

How much shipping, Mr. President, is it estimated that we really ought to have under the American flag, that we really need, to give us a merchant marine that would meet the emergencies of war in the future as well as the needs of peace? A conservative estimate is from six to ten million tons of American shipping to carry about 60 per cent of our foreign commerce. What is the estimated cost of such a merchant marine? From \$750,000,000 to over \$1,000,000,000. Is it proposed by those who support this bill and who advocate this policy, if it is to be called a policy, that the Government is going to put up \$750,000,000 or \$1,000,000,000 in the development of an American merchant marine? No one would contend that. In fact, they disavow that. They would not dare submit such a proposition openly and squarely to the people. And yet that is the effect of this bill if it contains any policy at all.

If they admit that is what the Government is going to do, then the fears of those who came before our committee and told us that they were afraid of this bill because it is an entering wedge for permanent ownership and Government operation and a Government-built merchant marine were well founded. If you do not advocate it, if that is not what you want and what you believe in, then this bill amounts to nothing. It proposes to appropriate \$50,000,000. Suppose you take that \$50,000,000 and build ships in the costly, expensive way that they must be built now, how much tonnage do you get? The highest estimate was five or six hundred thousand tons. We need from six to ten million tons. You probably would get about 250,000 tons out of this \$50,000,000 now.

Oh, but they say that is something. Yes, it is something. Oh, but they say that every ship you add to the merchant fleet of the world furnishes that much additional means of transportation for our products, and that is what we want. That is true to a certain extent. It does add and should add a few more ships; but what figure would those ships cut under present conditions toward reducing freight rates? Take a bucketful of water out of the ocean and you get it that much nearer being dry, but you do not see any effect when taking that bucketful out, and for all practical purposes you are no nearer the bed of the ocean than you were before you took the bucketful out. So it is with this. Taking the most extreme case, even if you could get to-morrow all the ships that will be constructed with the money provided in this bill, they would not show any appreciable reduction in the freight that must be paid under present conditions for the transportation of the products of the farm, the factory, and the mine. Only the specially favored few who would lease and operate such ships under this bill would profit from them. This bill is urged for the benefit of the people. Its real beneficiaries will be a few ship operators or a few great exporters.

But they say we want to build up the American merchant marine. We all want to do that. They are going to tell the people that this legislation has been enacted for the purpose of building up an American merchant marine. I will not deny that. They will tell the people that we intend by this bill to promote the development of the American merchant marine. I will not deny that. I will not question the sincerity of the purpose of our friends who are behind this bill. I will not question the honesty of the intention of those who press this bill. We are all in favor of the purpose that they have announced; we are all animated by the same intention. Will this bill promote the purpose that they announce? Will it carry out the intention that animates them? These are the real issues involved in this bill.

Those who came before the committee represented, of course, private interests and private capital, and they testified that this bill would deter private capital from going into the shipbuilding, owning, and operating industry. Of course, we must take into account that they are probably moved to a certain extent by selfish motives, and yet if we can not take the opinion and the judgment, with proper allowances, of men who are acquainted with the condition and character of this as well as other industries, it seems to me that we are going almost without a rudder; that if we must take the judgment of men who know nothing from practical experience about a certain line of business as to what is best to carry on that business, then we must say that experience is a detriment rather than a benefit, that experience disqualifies a man instead of qualifying him to judge what is best along the line of his work and his activity. To follow such a course is to reverse all business and human experience, judgment, and rule of action.

The men who came before the committee not only said that this measure will deter private capital from going into the shipbuilding industry, but they said that they know it has already done that, and there are those who specify the particular cases wherein capital was ready to go into the shipbuilding industry, but has not gone in because of the pendency of this legislation.

Mr. President, the men who make these statements are men of integrity; they are men of high character and standing, and there is not any reason apparent why their word should be doubted. As a matter of fact, I believe that the passage of this bill will deter the building of more ships by private capital and enterprise than can be built under it. Instead of enlarging our merchant marine it will actually diminish it in the ultimate result.

Mr. VARDAMAN. Mr. President—

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Washington yield to the Senator from Mississippi?

Mr. JONES. I yield.

Mr. VARDAMAN. Mr. President, I agree with the Senator from Washington that the effect of this legislation will be disappointing; but when the Senator states that certain men experienced in the shipbuilding business have come before the committee and stated that this legislation will retard or interfere with the building of ships by private companies, in the light of the fact that the number of ships to be built by the money appropriated in this bill is so insignificantly small compared with the demand for shipping—that fact, coupled with the fact that the Government is going out of this business by the terms of this bill in five years, seems to rather discount the sincerity or the force of the statement made by these gentlemen who came before the committee that this legislation would prevent the building of shipping. I do not see how this legislation is going to interfere with it at all.

The ships are to be built to be put into the trade; they are to be given to private companies to operate, and if the business of the country demands it I do not see how it is possible to interfere with the prosecution of private enterprise.

Mr. JONES. Well, Mr. President, this is what they say. They say that this is but the beginning; this is but the start; that while the bill now provides that only \$50,000,000 shall be invested in the building of ships, their observation has always been that when the Government gets started along a certain line the demand is for more and more and more, and that we are not likely to stop with \$50,000,000 for the construction of ships, but that we will keep on appropriating an additional amount or turning over and over this \$50,000,000, and this will have a tendency to, in fact will, drive private capital out of the shipyards and shipping lines. That is the argument they present.

Mr. VARDAMAN. But if that is the purpose of the Government and of the Democratic administration, that answers the Senator's argument that the appropriation which this Congress is making, and which this administration is favoring for shipbuilding, is wholly inadequate and insufficient to meet the demand of the shipping trade, for, as the Senator says, it will require six or seven hundred million dollars to do it. It is the purpose of the administration to begin to inaugurate a policy which is going to supply this much-needed facility for transporting goods by water. That answers the Senator's argument that the administration has been neglecting its duty just that far.

Mr. JONES. But here is the trouble about that. While we need from six to ten million tons of American shipping to carry our commerce in American ships, when the European war is over there will be shipping of other countries available to do that business. We shall not in a sense need American shipping, except as we think we ought to have it under the American flag. They say there will be ships available when the European war closes; when the English ships that are now used in transporting armies and munitions of war and supplies; when the German ships that are now interned; when the French ships that are now being used for war purposes are all released, we shall have almost as much tonnage available for transporting the world's commerce, including our own, as we had at the outbreak of the war. That, I think, is true. It is not so much that we should have to add six or ten million tons under the American flag to the world's shipping as it is desirable to have it under the American flag, notwithstanding the other supply of tonnage may be reasonably sufficient for the world's business. They say, if the Government is going to put up money for the building of ships, while, of course, it does not come any way near supplying the immediate demand, yet the tendency, and the continued tendency, is to get more and more Government money

for that purpose; and the more we do that, the more we retard private capital from going into the business.

The Senator from Mississippi knows, as I do, that capital is awfully timid. I think many times that capital is too timid; but I can not speak from experience; I have not been able to handle any capital, and so I do not know just how timid I would be with it or how courageous I would be with it; but I fear I am too courageous with everybody else's money.

We here in Congress do not seem to be very timid about appropriating the people's money and making demands upon the people's money; but, notwithstanding our courage, it is true that capital is timid, capital is scary. It is also true that neither you nor I, as legislators, can compel capital to go into any particular line of industry or business; and if we pass this legislation, which scares capital, whether it has good grounds to be scared or not, if it is scared capital will not put its money into it.

These gentlemen say this will be the result. I do not say that they are entirely right about it, but I have not had experience sufficient to say that they are wrong. Their contention is reasonable, to my mind, and should not be lightly cast aside. At any rate, as I say, these men state they know instances where shipbuilding concerns and ship-operating concerns intended to let contracts for a certain number of ships and that they have refused to do so because they saw that this bill was being pressed. If this has already been done, we may expect such a course to be continued after the bill is passed.

Mr. VARDAMAN. Mr. President, will the Senator from Washington yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Mississippi?

Mr. JONES. Certainly.

Mr. VARDAMAN. I really think that the result of the building of these ships is not going to be in the interest of the masses of the people; I do not think it is going to affect freight rates. I think about it as I did a year ago when the matter was up for consideration. I think it is going to enable capitalists to lease ships and to operate them for their special benefit, and that the probabilities are that the loss which the Government will sustain will be pocketed by the people who pay the taxes. I do not feel, though, that there is anything in this measure that capital has anything to be alarmed about.

Mr. JONES. The Senator may be right about that. I am simply giving him what men—able men and careful men—testified to before our committee. I agree with the suggestions that the Senator makes with reference to the benefits that are to come, or the lack of benefits that are to come, from this legislation; that when our friends go out and tell the people that they have done something for the upbuilding of the American merchant marine, something that will help them in getting cheaper freight rates, and all that sort of thing, that the people will never realize those benefits; that they will never see any benefits from it. They may hope for them hereafter, but they will not come. They will go, as the Senator says, to the men who lease these ships; they will go, as I have said, to some special few ship operators, or to some specially favored interests or exporters.

Mr. VARDAMAN. Mr. President, if the Senator will permit me, I want to make myself more distinct and definite about one statement which I have made. I think the provision of this bill which creates a shipping board, with the power to regulate freight rates, will redound to the interests of the shippers to some extent; but, so far as the competition which is going to be created by the building of ships under this bill is concerned, I think the effect will be well nigh infinitesimal.

Mr. JONES. I did not understand the Senator in his other remarks to refer to what effect might come from the regulative powers given to the shipping board. That I shall discuss a little bit later on if time will permit.

Mr. President, as I have said, we need a policy for the future, and I shall present a little later my suggestions as an individual Senator as to what I think ought to be done. The present conditions are the greatest incentive possible to the development of an American merchant marine. The existing war conditions are the greatest subsidy, if it may be called such, or subvention or encouragement toward the building of an American merchant marine that we could have, and these conditions simply illustrate what the Government must do in order to have a permanent development of the merchant marine to a greater or less degree.

Prior to the war we were wondering why capital did not go into the business of building up an American merchant marine. We were wondering why ships were not being constructed in our yards to fly the American flag, to carry our products across

the sea, and to bring foreign products to our shores. We were trying to devise this measure and to encourage capital to go into this industry. It seemed, however, that nothing could be done. Away back—I think in 1891—we passed an act known as the ocean mail pay act. We thought by that act we were giving ample compensation and affording sufficient inducements to lead capital to go into the construction of fast ships to carry not only our mails but our products. My recollection is that only four ships ever took advantage of the act between this country and Europe, and a few ships to nearby countries; certainly the fast ships we secured under the provisions of that act amounted only to two or three or four, and they are the only source of pride that we now have in our merchant marine under the present conditions.

Then it was found that that act did not offer sufficient inducement to capital to enter the ocean carrying trade under the American flag. Capital did not go into that business.

I might argue from my lack of knowledge of the industry and of the business, that the law which we passed gave ample compensation to warrant capital to put its money into shipping, and I might present good reasons for my belief from an academic standpoint; yet the facts are that capital did not go into the business, and capital would not go into it and has not gone into it under that law, and will not do it. But the very moment that the demand for shipping became great enough to offer rewards sufficient to lead capital from other lines of industry and other lines of development into this line of development. It went there, it is going there now, and it will continue to go there as long as conditions exist as they are now; and as long as there is hope for a reasonable return on the investment capital will continue along this line. If these conditions are to continue, we do not need any legislation to encourage the development of an American merchant marine. They will not continue. This fact makes a definite policy for the future imperative. What are the shipbuilding conditions now?

Why, Mr. President, ships are being built now faster than they have ever before been built in this country; they are building just as fast as the shipyards of the country can construct them; and, Mr. President, do you know that during the last year more tonnage has been available for the transportation of American commerce than ever before in the history of our country? That may seem remarkable to some who have not given this matter any particular thought.

I believe that a great many people throughout the country think that during the last two years we have not had as many ships for the transportation of tonnage as we did before the European war commenced; and yet the fact is that we have had a greater tonnage for this purpose than we ever had before. I believe that, whatever strength there may be throughout the country to the support in behalf of this proposed legislation, it comes from the thought and the belief that we have had a much smaller supply of ships than we had before the war began; yet, if we stop to think for a moment that our foreign commerce is greater in the aggregate by one or two billion dollars than it ever was before, we will realize that we must have had more shipping to transport it, unless, of course, our foreign commerce was made up of products of a much higher class than usual, commanding higher prices and requiring less cargo space.

I have the Commerce Report here with reference to shipbuilding and tonnage available, and I want to put it in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JONES. Well, I want to read some of it, Mr. President. I have here the Commerce Report for Saturday, July 8, 1916. At page 84 is the heading, "American shipbuilding during fiscal year."

This, now, is as to what our shipbuilding plants have been doing. This shows that under the conditions that now confront us and that now surround us, American capital and American industry and American shipyards are more active than they ever were before; that when the opportunities offer and when the encouragement is presented that warrants capital going into this line of work, it goes there, and that it is engaged in it now.

The Bureau of Navigation, Department of Commerce, reports 1,030 vessels of 347,847 gross tons were built in the United States and officially numbered during the fiscal year ended June 30, 1916, compared with 1,266 vessels—

That is, a greater number of vessels.

Mr. VARDAMAN. Mr. President, what was the first number the Senator gave?

Mr. JONES. The first number was 1,030 vessels of 347,847 gross tons. I was going to call attention to the fact that the number of vessels built in the preceding year was greater than in this last year, but the tonnage was much less. In other words,

the ships in the prior year, while greater in number, were smaller in tonnage—
compared with 1,266 vessels of 215,711 gross tons during the fiscal year ended June 30, 1915.

That is, the tonnage for the fiscal year ending June 30, 1916, was 347,847 gross tons, while the tonnage for the fiscal year ended June 30, 1915, was 215,711, showing 130,000 tons more for the fiscal year 1916 than the fiscal year 1915.

The seaboard yards—

Now, this describes these ships—

have built 35 large steel merchant steamers aggregating 191,859 gross tons, the largest merchant steel output in their history. Of these, 21 steamers are each over 5,000 gross tons, the largest being the steamer *H. H. Rogers* of 10,050 gross tons, and 14 are between 3,000 and 5,000 gross tons each. The Newport News (Va.) Shipbuilding and Dry Dock Co. built 6 of 40,329 gross; Maryland Steel Co., Sparrows Point, Md., 8 of 35,665 gross; Union Iron Works, San Francisco, Cal., 5 of 32,665 gross; New York Shipbuilding Co., Camden, N. J., 7 of 32,164 gross;

and Fore River Shipbuilding Co., Quincy, Mass., 4 of 24,932 gross. The Newport News, Camden, and Quincy yards were also engaged in naval construction.

Of these steel ocean steamers, 24 of 138,858 gross tons have been registered for foreign trade, 8 of 34,386 gross tons enrolled for the coasting trade, one, the steamer *Pacific*, of 6,034 gross tons, was sold to Norwegians, and up to June 30 the two remaining had not been documented.

Of the relatively small output of the Great Lakes, 8 vessels of 14,775 gross tons are each under 2,500 tons, built for the ocean trade, of which 4 are for foreign trade and 1 (*Morris Adler*, of 2,481 gross) has been sold to Norwegians.

Then I will put in the rest of this article, with the table, if there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

CLASS OF VESSELS AND WHERE BUILT.

Following is the detailed statement according to material, power (gasoline included under steam), and place of build for the fiscal year ended June 30, 1916, compared with the preceding fiscal year:

Fiscal year ended June 30, 1916.

	Atlantic and Gulf.		Pacific.		Great Lakes.		Western rivers.		Total.	
	Number.	Gross.	Number.	Gross.	Number.	Gross.	Number.	Gross.	Number.	Gross.
Wood:										
Sailing.....	44	14,208	3	1,879					47	16,087
Steam.....	242	7,107	172	8,426	82	1,350	98	1,898	594	18,781
Unrigged.....	159	49,053	77	10,054	20	3,060	29	677	285	62,844
Total.....	445	70,368	252	20,359	102	4,410	127	2,575	926	97,712
Metal:										
Steam.....	47	162,237	6	32,887	23	48,079	10	2,009	86	245,212
Unrigged.....	5	2,723			7	2,117	6	83	18	4,923
Total.....	52	164,960	6	32,887	30	50,196	16	2,092	104	250,135
Totals:										
Sailing.....	44	14,208	3	1,879					47	16,087
Steam.....	289	169,344	178	41,313	105	49,429	108	3,907	680	263,993
Unrigged.....	164	51,776	77	10,054	27	5,177	35	760	303	67,767
Grand total.....	497	235,328	258	53,246	132	54,606	143	4,667	1,030	347,847

Fiscal year ended June 30, 1915.

	Atlantic and Gulf.		Pacific.		Great Lakes.		Western rivers.		Total.	
	Number.	Gross.	Number.	Gross.	Number.	Gross.	Number.	Gross.	Number.	Gross.
Wood:										
Sailing.....	49	7,225	1	16					50	7,241
Steam.....	297	8,297	237	13,612	103	2,029	106	3,144	743	27,082
Unrigged.....	205	51,515	101	4,187	35	3,727	14	194	355	59,623
Concrete.....	2	565							2	565
Total.....	553	67,602	339	17,815	138	5,756	120	3,338	1,150	94,511
Metal:										
Sailing.....	1	27							1	27
Steam.....	35	98,332	8	16,833	17	4,458	8	762	68	120,385
Unrigged.....	1	283		434	1	34	4	37	7	788
Total.....	37	98,642	9	17,267	18	4,492	12	799	76	121,200
Totals:										
Sailing.....	50	7,252	1	16					51	7,268
Steam.....	332	106,629	245	30,445	120	6,487	114	3,906	811	147,467
Unrigged.....	206	51,798	102	4,621	36	3,761	18	231	362	60,411
Concrete.....	2	565							2	565
Grand total.....	590	166,244	348	35,082	156	10,248	132	4,137	1,266	215,711

Mr. JONES. Then, at page 223 of the hearings before the subcommittee of the Senate Committee on Commerce, Mr. Chamberlain, the Commissioner of Navigation—

Mr. VARDAMAN. May I ask the Senator, are those the hearings of this year?

Mr. JONES. Yes; of this year. Mr. Chamberlain, the Commissioner of Navigation, gave a statement of the ships and their tonnage, and so forth, built or under contract on the 1st of the months of February, March, April, May, and June of this year. You will note, Mr. President, that it shows a steady increase. On the 1st of February the tonnage of the ships built or under contract was 901,371. On the 1st of March it was 945,798, or an increase of over 44,000 tons in one month contracted for. On the 1st of April it was 1,067,856 tons, or an increase of 120,000 tons in one month contracted for. On the 1st of May it was 1,129,014 tons—an increase there of over 60,000 tons contracted for in one month. Then, on the 1st of June it was 1,147,534, or an increase of 18,000 tons contracted for in that month.

I will ask to put this entire table in the Record, Mr. President. It is found at page 223 of the hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

On the 1st of—	Built, or under contract.		New contracts.		Vessels completed.	
	Number.	Gross tons.	Number.	Gross tons.	Number.	Gross tons.
February.....	230	901,371	20	61,136	6	31,320
March.....	244	945,798	107	151,296	5	23,394
April.....	360	1,067,856	20	51,011	6	12,915
May.....	368	1,129,014	20	81,470	13	53,840
June.....	372	1,147,534				
Total.....			167	344,913	30	121,478

Mr. JONES. Mr. President, that shows, and the testimony is to this effect, that our shipbuilding plants are running to their fullest capacity; that they are limited in their output by

the lack of competent help and experienced and trained men; that if the labor supply were better and greater they could put out more ships or probably would put out more ships, but that they are now running to their utmost capacity, and that we are building more ships than we ever built before.

As to the shipping facilities of the United States for the year 1916, I have here the commerce report of Tuesday, August 1, 1916, and at page 404 I find this heading:

SHIPPING FACILITIES OF THE UNITED STATES FOR 1916.

The merchant shipping, American and foreign, cleared from seaports of the United States, 25,475,103 net tons for Europe, South America, Asia, Africa, Australia, and Oceania during the fiscal year ended June 30, 1916, was the largest in the history of the United States notwithstanding the European war, the capture of the port of Antwerp, and the closing of the Black Sea, the blockade of the ports of the central powers, the withdrawal of German and Austrian merchant ships from trade, and the dangers of submarines and mines cast adrift in the routes of ocean commerce.

Mr. President, that was a surprising statement to me, although if I had thought for a moment about the tremendous increase in our foreign commerce I would have been compelled to realize that our shipping facilities must have been greater than before, and I believe that that will be a surprising statement to the people of the country. The people have the impression that our shipping facilities have been less since the war began than before. This is an official statement from our Department of Commerce and is as nearly correct as any such information can be.

Up to the year just closed the greatest volume of clearances from the United States for the over-seas continents named was 24,872,403 net tons during the year ended June 30, 1914, just before the outbreak of the European war.

That shows, Mr. President, nearly 1,000,000 tons more shipping available for the transportation of our commerce in the year ending June 30, 1916, than in 1914, when we had the greatest tonnage available for that purpose.

Now, notice this, too:

Much of the net tonnage in that year (1914) was space for passengers (tourists and immigrants) on ocean steamers, while during the fiscal year just closed such fast steamers to a great extent have been withdrawn from trade to serve as allied transports and hospital ships or held in port to avoid capture, and their place has been supplied by cargo steamers. (A net ton is 100 cubic feet of ship's closed-in space available for cargo or passengers.)

In other words, Mr. President, the tonnage available for cargo carrying for the year ending June 30, 1916, has been very much greater than the tonnage available for any preceding year.

Mr. President, I should like to put in the RECORD the remainder of page 404, pages 405 and 406, and part of 407—the remainder of that article.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

OVER-SEAS SHIPPING.

American shipping cleared for the over-seas continents during the year just closed was more than threefold that in 1914 so cleared—2,448,305 net tons, compared with 745,242 net tons for the fiscal year 1914. The American net tonnage cleared from the United States for these continents in the years ended June 30, 1914 and 1916, the foreign net tonnage so cleared, and the combined American and foreign tonnage were as follows, American tonnage more than doubling in each case and foreign tonnage showing a decrease, except to Asia:

Clearances for—	American.		Foreign.		Total.	
	1914	1916	1914	1916	1914	1916
Europe.....	Tonnage. 447,667	Tonnage. 1,134,952	Tonnage. 19,598,524	Tonnage. 18,791,713	Tonnage. 20,046,191	Tonnage. 19,926,665
South America.....	192,479	945,353	2,237,171	1,764,720	2,429,650	2,710,073
Asia.....	72,218	131,198	1,165,083	1,483,196	1,237,301	1,620,396
Australia, etc.....	28,615	157,390	724,189	596,486	752,804	753,876
Africa.....	4,263	79,412	402,194	384,681	406,457	464,033
Total.....	745,242	2,448,305	24,127,161	23,026,796	24,872,403	25,475,103

SHIPPING BOUND FOR EUROPE.

During the past fiscal year our shipping facilities (net tonnage) for the export trade to Europe have been the greatest in our history. Although the net tonnage in 1914 was a trifle larger—half of 1 per cent—much of that net tonnage in 1914 was for the passenger trade, as stated, which in 1916 was relatively small, and cargo space in 1916 was supplied to help to meet the great volume of our exports. During 1914 the American Line mail steamers to Southampton and the Red Star Line passenger ships to Antwerp were virtually the only American ships in trade with Europe; in 1916 American ships traded with the maritime nations of Europe, except Belgium and the blockaded Central Powers. The total tonnage clearances to France and Italy almost doubled, the clearances to Norway, Denmark, and Sweden more than doubled, and to Greece increased over threefold. The following summarizes the net tonnage clearances to European countries:

Destination.	American.		Foreign.		Total.	
	1914	1916	1914	1916	1914	1916
Austria-Hungary.....	Tonnage. 187,965	Tonnage. 517,963	Tonnage. 943,769	Tonnage. 1,131,734	Tonnage. 1,131,734	Tonnage. 3,636,707
Belgium.....	184,140	1,763,808	3,452,567	1,763,808	3,636,707	3,902,073
France.....	8,406	3,893,667	7,351,796	7,700,103	7,593,402	8,304,707
Great Britain and Ireland.....	241,606	5,727	93,203	345,855	93,203	351,582
Greece.....	135,116	1,893,915	3,444,597	1,893,915	3,444,597	3,579,713
Italy.....	10,014	1,751,756	1,356,129	1,760,682	1,356,129	1,366,143
Netherlands.....	8,926	23,535	157,434	197,906	157,434	221,441
Russia in Europe.....	114,593	681,393	1,482,153	681,393	1,482,153	1,596,746
Scandinavia.....	11,464	422,571	547,177	422,571	547,177	558,641
Spain.....	45,759	127,249	265,226	265,226	310,985	310,985
Other Europe.....	764	447,667	1,134,952	19,598,524	18,791,713	20,046,191
Total.....	447,667	1,134,952	19,598,524	18,791,713	20,046,191	19,926,665

CLEARANCES FOR SOUTH AMERICA AND AFRICA.

American shipping in trade with South America has developed more rapidly in the past fiscal year than in any other direction. The American tonnage cleared was almost five times greater than in 1914, and in trade with Argentina particularly the increase is notable. The withdrawal of foreign ships has been made good by increased American tonnage. The increase in total clearances is partly due, of course, to improved financial conditions in those countries, except Peru, and to the removal of the risk of destruction which checked trade with South America for some months after the outbreak of the war. The clearances for South America follow:

Destination.	American.		Foreign.		Total.	
	1914	1916	1914	1916	1914	1916
Argentina.....	Tonnage. 4,757	Tonnage. 191,436	Tonnage. 611,360	Tonnage. 575,812	Tonnage. 616,117	Tonnage. 767,278
Brazil.....	62,356	259,619	648,345	548,880	710,701	808,499
Chile.....	44,385	226,578	482,377	265,547	526,769	692,125
Colombia.....	285	109,197	271,804	74,319	272,089	183,516
Peru.....	48,457	32,885	42,951	50,794	91,408	83,179
Uruguay.....	7,310	51,657	93,069	121,743	100,379	176,400
Venezuela.....	23,066	52,286	29,800	13,357	52,886	65,613
Other South America.....	1,863	9,195	57,465	24,238	59,308	33,433
Total.....	192,479	945,353	2,237,171	1,764,720	2,429,650	2,710,073

The clearances from the United States for Africa on both oceans and on the Mediterranean increased from 406,457 net tons in 1914, to 464,033 net tons in 1916. In 1914 the American shipping thus cleared was insignificant, only 4,263 net tons, while in the past year it mounted to 79,412 net tons, of which over half, in spite of submarine warfare in the Mediterranean, was cleared for Egypt and Algiers.

The foreign net tonnage clearances decreased from 402,194 in 1914 to 384,681 in 1916.

TRANS-PACIFIC VOYAGES.

The total tonnage clearances from the United States of ships on trans-Pacific voyages to ports in Asia, Australia, the Philippines, and foreign islands of the Pacific increased from 1,990,195 net tons in the fiscal year of 1914 to 2,374,272 net tons in 1916, and of these amounts American net tonnage increased from 100,833 net tons in 1914 to 288,588 net tons in 1916. The table below shows that the gains have not been uniform, but there have been marked increases and decreases in shipping facilities between the United States and the countries and colonies comprised within the limits named. Clearances to "other Asia" show the greatest increase from 59,176 net tons in 1914 to 618,610 net tons in 1916. During the past year "other Asia" has meant mainly Vladivostok, and the tonnage increase shows shipping facilities provided for the export of locomotives, cars, rails, motor trucks, and steel products generally to Russia through Siberia. Russian Black Sea ports being closed and Baltic ports, especially Riga, partly closed during the year. The effect of the withdrawal of the Pacific Mail ships to Hongkong is to be noted and clearances to the Philippines also show a marked decrease. The Philippine figures do not include Government transports.

Destination.	American.		Foreign.		Total.	
	1914	1916	1914	1916	1914	1916
ASIA.....	Tonnage. 4,952	Tonnage. 37,452	Tonnage. 348,147	Tonnage. 162,624	Tonnage. 353,099	Tonnage. 200,076
China.....	19,707	120,832	135,051	120,832	135,051	154,758
British India.....	9,346	75,879	243,856	75,879	243,856	233,202
Hongkong.....	66,615	13,462	531,800	378,086	598,415	391,548
Japan.....	651	51,231	88,425	569,581	89,176	618,610
Other Asia.....	72,218	131,198	1,165,083	1,483,196	1,237,301	1,620,396
Total.....	14,243	136,173	492,119	431,154	506,462	562,406
OCEANIA.....	2,051	1,181	143,945	86,407	145,996	87,588
Australia.....	12,821	20,036	88,125	78,725	100,946	95,682
Philippine Islands.....	28,615	157,390	724,189	596,486	752,804	753,876
Other Oceania.....	4,263	79,412	402,194	384,681	406,457	464,033
Total.....	745,242	2,448,305	24,127,161	23,026,796	24,872,403	25,475,103

SHIPPING TO NEAR-BY FOREIGN PORTS.

The gain of 602,700 net tons in export clearances of shipping from the United States across the seas and into waters, to a greater or less extent, the zones of naval and submarine operations and of war risk has been offset, however, by decreased clearances to foreign seaports on or near the coasts of North America. In 1914 these amounted to 14,750,083 net tons; in 1916 to 13,420,158 net tons. The principal decreases have been in clearances to the British West Indies, preoccupied with war, 738,649 net tons, and to Mexico, Haiti, and the Dominican Republic, disturbed by internal dissensions, 688,717 net tons.

In North American waters the foreign clearances of American ships show a large gain, but proportionately not so great as in overseas trade, from 4,395,082 net tons in 1914 to 7,296,777 net tons in 1916. While the figures are larger, they represent a much smaller number of ships and these of less tonnage than the figures for overseas trade, because the voyages in American waters are relatively short and the same ship clears often during the year. To Cuba, Panama, and Central America the American tonnage more than doubled in the year.

Clearances for—	American.		Foreign.		Total.	
	1914	1916	1914	1916	1914	1916
Nova Scotia and British Columbia.....	Tonnage. 1,854,058	Tonnage. 1,998,805	Tonnage. 2,855,943	Tonnage. 2,733,882	Tonnage. 4,710,001	Tonnage. 4,732,687
British West Indies and Bermuda.....	138,073	266,163	1,520,591	653,852	1,658,664	920,015
Cuba.....	871,506	1,810,358	1,738,337	1,257,095	2,609,843	3,067,453
Panama.....	500,009	1,139,889	838,097	84,518	1,338,106	1,224,407
Mexico, Haiti, and Dominican Republic.....	964,553	1,691,412	2,203,413	787,837	3,167,966	2,479,249
Central America and West Indies, except British.....	66,883	390,150	1,198,620	606,197	1,265,503	996,347
Total.....	4,395,082	7,296,777	10,355,001	6,123,381	14,750,083	13,420,158

Out of 38,895,261 net tons of shipping cleared on ocean voyages to foreign ports during the fiscal year ended June 30, 1916, 9,745,082 net tons were American, or 25 per cent; in the fiscal year 1914, out of 39,622,486 net tons only 5,141,324, or 13 per cent, were American.

NOTE.—Including frequent but short fresh-water foreign trips to Canada across the Great Lakes and St. Lawrence, American tonnage in 1916 was 34 per cent of the total. Detailed figures will be printed in the Monthly Summary of Foreign Commerce of the United States, June, 1916, to be issued by the Bureau of Foreign and Domestic Commerce about the middle of August.

Mr. JONES. Mr. President, I have just shown that our private yards are taxed to the utmost; that they are running to full capacity; that they are putting out all that labor can put out. Where will we get our ships built under this bill? "Well," they say, "we provided in this bill that they may be built in the navy yards, as well as in private yards." Mr. President, ordinarily we might have some of them built in our navy yards, but does anyone think that we are going to have any capacity in our navy yards for building merchant ships if we adopt the naval program that has just passed the Senate? Every navy yard in the country will be taxed to the utmost, together with the private yards, in order that these naval ships—that is, these battleships and battle cruisers and scout cruisers and torpedo boats and ammunition ships and hospital ships and colliers and submarines—may be constructed at as early a date as possible, as should be done.

Mr. VARDAMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Mississippi?

Mr. JONES. Certainly.

Mr. VARDAMAN. As a matter of fact, I think our Government-owned yards are to be enlarged for the purpose of meeting the demands of the Navy. That is contemplated under the bill we have recently passed.

Mr. JONES. They will have to be enlarged. We do provide that several of the yards shall be fitted up for building capital ships—that is, the battleships and battle cruisers, and so forth. It will have to be done in order to carry out this program that we have provided for.

Mr. President, as I have said before, this bill is urged upon us to meet an emergency, and our attention is called to the high freight charges that must be paid for the transportation of products to this port and that port. We find in the hearings a long list of charges that this man and that man and this merchant and that merchant have had to pay for the transportation of their freight. I remember that in the last Congress, when the ship-purchase bill was presented, we had printed a special document from the Treasury Department giving letters from merchants in different parts of the country telling about what the freight charge was upon their shipments and appealing to the Congress to pass some legislation to reduce these freight charges and bring them relief. Now, this bill is urged upon that ground, and the hope is held out to the farmers of

the country more than to anybody else that they will get great relief as a result of the passage of this bill.

How will they get it? "Well," they say, "we will buy more ships." Are there any ships to be bought, Mr. President? It is reported that some ships can be bought from this company or that company. Well, suppose we buy ships; what relief will that bring for the freight situation? If you buy ships you do not add anything to the transportation facilities.

There are no ships now that are not being used except some ships which the Government itself owns. Why, Mr. President, in the military bill here a few days ago we had an item that provided for the sale by the Government of the transports *Mcade* and *Crook*, and the showing was made that one of these vessels had been tied up at a wharf for several years. Notwithstanding the tremendous demand for ships for the carrying of freight, and notwithstanding the fact that it was said that our Government has expended two millions in freight charges for the transportation of nitrates since this war began, one of these Army transports has been tied up at the wharf for a good many years—a striking example of the efficiency or lack of efficiency of Government ownership. The Senator from Massachusetts [Mr. WEEKS] says that if we had passed the bill which he put in, that ship would have been available. I guess that is true; but it is also true, so far as I am concerned, that when that bill did not pass the department ought to have recommended some legislation to pass that would make that ship available if it could not be used under existing legislation. No doubt we have had to pay thousands of dollars wharfage charges for this ship all the years when it would have been so valuable for the transportation of freight.

Mr. FLETCHER. Mr. President—

Mr. JONES. I yield to the Senator from Florida.

Mr. FLETCHER. I want to suggest that the Senator would hardly class such a ship as a seaworthy vessel—a ship 43 years old. I remember that one of the two vessels the Senator mentions was said to be 43 years old, and the other forty-some years old.

Mr. JONES. Why, the only reason the department urged that they be permitted to sell them was that they should go into the commercial trade of the country. They are foreign-built ships and could not be admitted to the coastwise trade unless you put them in under special legislation of some kind. No, Mr. President; these ships will go into the foreign trade when you sell them to some private buyers, who are, no doubt, ready to purchase them now, and want to purchase them now, and who will make something out of them.

Mr. President, the Senator from Florida says these are old ships. They are old ships; and yet Admiral Benson testified before us that they had one naval transport that was built in 1879 and is good for 10 years yet.

No, Mr. President, the *Meade* and the *Crook* are going to be put to commercial uses when this Army bill becomes a law, and the parties who are now no doubt ready to purchase them will get hold of them at a bargain. Will they reduce rates? No. They are buying them to take advantage of the present high rates. We struck out that item in the Senate and it went back in the conference, and these vessels will be sold and the people will pay high rates for the transportation of their production.

But, Mr. President, as I was saying, to buy ships that are already in the transporting business will not bring any relief to the shippers. It will not add any increased shipping facilities. It will have absolutely no effect whatever upon freight rates and transportation charges. It will simply transfer the ownership of certain ships from one owner to another, and that is all there is to it. The second owner possibly will be not nearly so efficient as the first owner.

Friday, August 11, 1916.

Mr. JONES. Mr. President, on yesterday, when the Senate took a recess, I was considering the suggestion that the shipping bill is urged and pressed upon us for the purpose of meeting an emergency. It will not meet any emergency, Mr. President. There are no ships to buy—at least no ships that can be bought except under very peculiar circumstances that do not reflect very much credit upon our Government, and which I shall refer to just a little bit later on. No present emergency can be met by the building of ships, because the testimony conclusively shows that it will be practically two years before any ship of considerable size can be contracted for now and constructed and put in operation. I think we have every reason to expect that the present deplorable war in Europe will close, at any rate, within two years, and that the abnormal conditions created by it will be largely ended before that time; but the high freight charges are pointed to as showing the necessity for this meas-

ure. It is claimed that our producers and our manufacturers and our shippers have to pay enormous freight rates, and many instances of these enormous charges are cited.

Mr. NELSON. Mr. President, will the Senator allow me to interrupt him?

Mr. JONES. Certainly.

Mr. NELSON. I want to call the Senator's attention to the fact that at the present price of shipping it would not be possible, if the proposed shipping board spent every dollar of the \$50,000,000 carried by this bill, to secure over 300,000 additional tons; and how could that small tonnage of itself, even if it were all acquired and afloat, regulate and affect the price of the tonnage on all the other ships?

Mr. JONES. Yes; I referred to that yesterday, and also have a further note down here, and was going to refer to the very idea suggested by the Senator from Minnesota. I am very glad indeed to have his suggestion, because coming from him—a man of his experience and knowledge with reference to these matters—it carries much more weight than the suggestion would from me. But this suggestion is made to hold out the inducement to our farmers and our merchants and our producers that if we will just pass this bill lower freight charges will prevail, and this will be reflected in the price that they will get for their commodities.

Mr. President, it is true that high freight charges are paid now to the shipowners for the transportation of products and goods and wares and merchandise, and so forth; but I contend, Mr. President, that this is not only the normal result of the abnormal conditions, but that the purchaser of these goods across the water, the foreigner, is the man who pays these high freight charges. As a matter of fact, while it is not so intended, the passage of this bill, if it would accomplish what its sponsors say it will accomplish, would benefit the foreigner and not the American. That is not the purpose, but that would be the result if there is any result.

Prior to the breaking out of this war freight charges were normal. Prices of produce were comparatively low. But since the war broke out, and since the freight charges have increased, the farmers and producers of this country have been getting higher prices than they received before. Why, Mr. President, I note in a newspaper just yesterday that the producer of wheat is getting almost \$1.50 a bushel for his wheat. If these freight rates were reduced, is there anybody who will have the hardihood to contend that the producers of wheat would get the benefit of that reduction in rates? Do our friends contend that if freight rates are reduced the price of wheat will be increased? Surely not. Who would get the benefit of it? The men in England or France or the countries of Europe that buy wheat. They would get the benefit of this reduced transportation cost, not our producers.

The price of our commodities is high, not because freight rates are high but because the demand for them is so great; and when the demand is great the consumer, the purchaser, the buyer pays the transportation charges and the producer gets the price that the demand warrants. Of course, if with increased ships the freight charges were reduced, and that benefit went to the producer of goods and products and not to the consumer, then, under present conditions, of course our people would get a great benefit. But nobody, it seems to me, can seriously contend that the freight charges, the charges for transportation, are paid now by our people. They are not paid by our farmers; they are not paid by our merchants; they are not paid by our business men; but they are paid by the people across the water, who must have our products, who must have our goods, and who must pay for the transportation to their shores, and who are paying for it and have been paying for it and will continue to pay for it while these conditions exist.

Mr. President, high prices to the producers almost uniformly come with high freight charges, because high freight charges can only be paid when there is a tremendous demand for these things, and the people who must have them must get them, no matter what transportation charges have to be paid. Why, Mr. President, we could argue with more force and with more basis that the longer these rates are kept up the longer will continue the high prices for the farmer than we can argue that if you should reduce these freight rates to the people across the water and change the conditions so that these charges would not be so high it would lower the price to our people. As a matter of fact, Mr. President, you will find that when we do get down to normal conditions in the transportation world, when we do get an abundance of shipping for the transportation of products it will not be long until the prices paid to the farmer and to the other people will come down. That price will come down abnormally, too, unless something is done to prevent

the flooding of our markets from abroad. That should be our greatest concern now, and immediate steps should be taken to meet it.

Mr. President, the holding out of this hope, especially to the farmers of the country, that if we will just pass this shipping bill they will get higher prices for their products is a false hope and can not deceive them, in my judgment.

But, Mr. President, if this bill should pass, and if the ships that it is hoped to build or buy under it could be gotten tomorrow, would it lower freight charges? Not at all. As the Senator from Minnesota [Mr. NELSON] suggested a while ago, it would be a mere drop in the bucket. Possibly not more than 250,000 or 300,000 tons of additional shipping could be gotten. What would that amount to as compared with the shipping that we had for the year ending June 30, 1916—twenty-five million and odd tons? It would amount to nothing, and all that it would do would be what the Senator from Mississippi [Mr. VARDAMAN] suggested yesterday: It would put in the hands of some transporters a few ships and enable them to make tremendous profits out of the present condition of things. The real benefit that would come if the ships that the money in this bill might purchase or build could be made available tomorrow would come to the transporters who are taking advantage of these abnormal conditions and the abnormal situation, and it would not benefit the people of the country at all.

But, as I said, when this bill passes it will be two years before any new ships can be gotten; and if you buy ships that are now in the transportation business it does not increase the transportation facilities. That would certainly have nothing to do with the reduction of rates. That would not benefit anybody, except that the Government would transfer the ownership of these vessels to another party, either itself, or it would put them in the hands of some privileged or special favorite and let him make the money that is now being made by the present owners of such ships.

Mr. President, I have been led to think that it is the hope of some of those who press this bill that if it is passed ships can be gotten and used for a specific purpose, used for the transportation of particular products or particular items, in order to get these items and these products transported at cheaper rates than they are now transported. It has been suggested on this floor and it was suggested in the committee that our people have been paying for nitrates from Chile—I think it was \$34 a ton freight charges—and that this is outrageous and we ought not to have to pay it. Therefore, they urged the passage of this bill.

What does that mean, Mr. President? If it means anything it means that it is expected that the ships will be taken for the purpose of carrying nitrates and giving the consumers of nitrates a special advantage. Is that the purpose of this bill? Is it the purpose of those who press this bill, or the hope of those who press this bill, that it will be used to give special privileges and special advantages to particular people, to particular localities, or to special lines of trade? They dare not avow openly any such purpose as that.

But under the terms of the bill as it is now prepared I doubt if they could use it for this purpose even if they wanted to. The Democratic caucus and the Democratic members of the committee decided upon certain amendments to the bill, and they are now in the bill, under which the operation by the Government is practically prohibited, and the result will be under the bill as prepared now that whatever ships are purchased, whatever ships are built, will be turned over to private parties upon a lease.

Mr. President, those private parties will put those ships in whatever trade they want to put them in. They will put those ships where they can get the most money out of them; and if they can get the most money for transporting products from Atlantic ports to European ports, they will do it, and they will not go to transporting nitrates. They will not transport nitrates unless it is a money-making proposition; and the farmers whom they may try to make believe will get a benefit by the cheaper transportation of nitrates will see the ships their money has built going where they can make the most money—where they can get the highest rate. They will see these ships used for the carrying of munitions of war from Atlantic to European ports.

They present figures here showing tremendous prices or charges for the transportation of lumber; they present facts showing that at certain ports there are no vessels available for the transportation of lumber; and they hold out the hope to the lumbermen that, if we will pass this bill, there will be some ships available at those ports for transporting lumber.

They hold out to the lumber manufacturer the hope that, if we pass this bill, he will get lower rates for the transportation of his lumber.

Mr. President, these ships will not be sent to those ports unless they can get more money by sending them to those ports than they can by sending them somewhere else. These ships will not be sent to transport lumber unless they know they can get more for the transporting of lumber than they can get for the transporting of something else.

No, Mr. President, this bill is a false hope. Suppose the Government does not lease these ships, but operates them itself, will our people expect that the Government will operate the ships at a lower rate than the going price of freight transportation? Do our friends who favor this bill suppose that? If they do, then that amounts to a pure subsidy. That, then, is a purely Government special privilege to some individual or some locality or some business. Our Democratic friends pretend to look upon a matter of that kind in holy horror.

Do the people of the country want shipping operated in that way? What does it mean? It means that if congressional influence is strong enough with the administration and with those who operate these ships to get them to send a ship to this port or that port in preference to some other it will be done, and one locality or one port will be discriminated against by such a preference. Or if some particular business, some great exporting house, desires additional transportation facilities it will come down here to Washington and get the Senators and Representatives from that State to go to the shipping board and point out to them their special needs. They can show the great benefit that will come if they will just send one of these ships to their port and let them load it and send their products abroad. If they do so, and some other locality, some other exporter, will suffer, if it or he is discriminated against; he can not get the service.

Mr. President, I can not imagine any condition of things more detrimental to our prosperity than a condition like that. There is nothing more detrimental to honest business and honest administration and honest government than a condition of things like that. The people of this country do not desire anything like it. There is too much political influence in governmental affairs. Yet it is likely to come about under a policy of this character.

Mr. President, the Senator from North Carolina [Mr. SIMMONS], the honored chairman of the Finance Committee, urged this proposition on the ground of naval preparedness. He said we need as naval auxiliaries merchant vessels in conjunction with regular naval vessels, to be available in time of war as well as in time of peace. I have taken some time to examine the debates in the House, and I have been struck with the great number of Representatives who have based their support of this bill upon the ground of its desirability from a naval standpoint. They support this bill because it will furnish ships as naval auxiliaries, and that is made the primary purpose of the bill so far as they are concerned.

I rode down in the car a few days ago with a very prominent Democratic Member of the House who had been against a ship-purchase bill. He said, "I give my support to the bill now because of its naval-auxiliary feature." He said, "I am in favor of the bill now because the primary purpose of it, the basic purpose of it, is to furnish auxiliaries for our Navy." I called his attention to the terms of the bill itself. I called his attention to the fact that under the terms of the bill the primary purpose of it is commercial. He said, "I did not understand that the bill was framed in that way." He said, "If I had understood it that way, I would not have supported it."

Now, what does the bill do, Mr. President? Many of the people of the country are for it because they think it furnishes primarily a naval auxiliary. Many of the people of the country are for it because they do not understand that its primary purpose is to furnish commercial ships to engage in the transporting trade of the world rather than as naval auxiliaries.

The title of the bill reads as follows:

To establish a United States shipping board—

For what purpose?

for the purpose of encouraging, developing, and creating a naval auxiliary.

That is the first purpose specified in the title of the bill—a naval auxiliary—and then—

And a naval reserve and a merchant marine.

That is apparently subordinate. But what are the terms of the bill itself? They seem to go on the theory that most of the people will not look any further than the title of the bill. They may have a good deal of basis for that. A great many people may not read any further than the title. In many of our

States we have a constitutional requirement that the purpose of a bill must be expressed in the title.

Our friends, I suppose, are going on the theory that the people of the country understand that Congress must express the purpose of the bill in the title, just as they are required to do in State legislation. Of course, that is not so. We can put anything in the bill and nothing in the title, or we can put one thing in the title and something else in the bill; it does not invalidate the bill. I do not suppose we need any title at all, that all we need is the enacting clause.

Section 5 of the bill is the legislative part of it, so far as the naval auxiliary and so on is concerned. What does it provide?

That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards or elsewhere, giving preference, other things being equal, to domestic yards, or to purchase, lease, or charter, vessels suitable—

Now, suitable for what? Suitable for a naval auxiliary, as the title says? No—

suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports.

In other words, the primary consideration in the construction of these ships and in the purchase of these ships is commercial. The prime motive for which they are to be constructed and purchased is commercial, and only in so far as commercial purposes will permit their use as naval auxiliaries shall they be used for that purpose.

Mr. President, I proposed in the committee to turn that around and authorize the purchase and construction of these ships for naval auxiliary purposes, and to be used as may be for commercial purposes. With a change like that I would support the bill, at least so far as its fundamental features were concerned. I would have some very serious objections to some of the other provisions, but that is the fundamental proposition with me. That would eliminate the principle of Government ownership and operation in private industry.

I have voted in the Senate for the expenditure of \$30,000,000, I think it was, for the purchase of naval auxiliaries. The Senate passed a proposition of that kind without a dissenting vote. The Senate would pass a proposition like that now without a dissenting vote. But our friends would not make that change. They insist upon the commercial feature of it being the primary and main purpose of the bill.

The Senator from North Carolina said we ought to standardize the building of ships, and he suggests that it has been proposed by some that if we would standardize our ships we could build them much more cheaply than they can build ships abroad. In other words, he seems to suggest that this \$50,000,000 would be a sort of an experimental fund for the purpose of trying out the idea some people have with reference to standardizing the construction of ships.

Mr. President, it may be true that we can standardize the construction of our ships. I think they have already done that to a certain extent. I do not believe that the Government needs to go into that experimental business. I am satisfied that private capital and private energy and private initiative and private development will bring forth the highest possible efficiency in the construction of ships, whether by standardization or otherwise, and that if we will give our capital the proper encouragement, if we will take the proper steps to continue as nearly as may be in time of peace the basic influences under which we are having such a stimulus in the shipbuilding industry and the ship-operating industry as we have now, our people will standardize ships, if that is the best and cheapest way to construct them. The Government does not need to do it. We do not need to take the people's money to experiment in a proposition of that sort.

The Senator from North Carolina says that we need ships for the South American trade, and he seems to hold out the idea that we will get them for that trade under this bill. There is nothing in the bill requiring any of these ships to go into the South American trade. There is nothing under this bill requiring any of these ships to be put in any special trade. I should like to see more transportation lines between this country and South America, but we will not get them under this bill unless conditions of trade warrant their going there.

It was urged when we had the other shipping bill up that the Government would take its ships where business had not been developed sufficiently to warrant private enterprise to go; that the Government would develop the business and then turn it over to private enterprise. Under a proposition of that sort there might have been some development of transportation lines to South America or some country, but there is not anything of that sort in this bill.

These ships will be leased, and the lessee will put them wherever he can make most profit out of them. If he can make more profit by going to South American ports, he will go there. If he has not any business there, he will not go there. He will not take these ships to develop business. He will take these ships and put them where the business is; where he can get the highest freight rates for the transportation that he furnishes.

The Senator from North Carolina [Mr. SIMMONS] suggested that we wanted ships that we could keep under the American flag; that could not be transferred when the European war closes and when these abnormal conditions pass away to foreign flags. He said that Mr. Marvin, who appeared before our committee, suggested that the ships that came in under the American flag under our emergency act were likely, when the war closed and when these abnormal conditions ceased, to re-transfer themselves to a foreign flag. Well, that is true; that is very likely to happen unless this Government gives better encouragement for ships to remain under the American flag than it has been doing.

Why did many of these ships come under the American flag under the emergency act? They came under the American flag because it was safer for them to do it; they came under the American flag because they were afraid to sail under any other flag. They did not come under the American flag because they wanted to be under the American flag, but simply because they thought it was more profitable for them to do it at the time and safer for them to do it. When these abnormal conditions pass away and the European war ceases they will leave the American flag if it is more profitable for them to go under some other flag. That is true. If we do not make our laws of such a character that they can operate under the American flag as cheaply or more cheaply than they can operate under any other flag, they are going to leave our flag. That is natural, and they can not be blamed for it. They are in this business to make money; they are not philanthropists; they are not conducting a charitable enterprise. They will go where they can make the most money. Of course if the Government buys the ships, or if the Government builds the ships, it can prevent their going under another flag; but if they can not operate at a profit under American laws and American policies, Mr. President, they will not be operated, except at the expense of the American people. If private enterprise can not operate a privately built ship at a profit under American laws, then private enterprise can not operate these ships under American laws unless the Government gives them some special rates, in other words, unless the Government gives them a subsidy, which is anathema to our Democratic friends. If private parties will not operate these ships, then the Government must operate them, and again the people will put up the difference. That is all there is to it.

Mr. GALLINGER. Mr. President, I will ask my friend from Washington, who is very familiar with attempted legislation on this question of rehabilitating the American merchant marine, if he has ever seen a bill that provides so great a subsidy as does this bill which is now under consideration?

Mr. JONES. I do not think so.

Mr. President, if I were in favor of Government ownership and Government operation, I would consider this is the last business and this is the worst time that it could be put into effect. Those who are in favor of Government ownership, those who are in favor of Government operation, are taking the very worst line of business and the very worst time to demonstrate the efficiency or the merit of their contention.

Government operation of ships is entirely different from Government operation of railroads. A railroad is fixed; it has fixed termini; it has a fixed line; a fixed route, and, to a certain extent, a fixed business that must come to it; that it must get. You can put your hand on it; you can control it; you can compel it to run; you can compel it to handle products; you can regulate it. It can not get away from you. If it does not like what you demand it can not help itself. It must continue to run or go into bankruptcy.

How is it with shipping? You can not do anything of this kind with it. A ship may be in this port to-day, in a port 100 miles away to-morrow, and the next day in a port a hundred miles away from that. A ship may run between two certain ports to-day and between two entirely different ports to-morrow. A ship may find business at this port to-day and find none there to-morrow, and none at the port to which it goes.

A railroad to a certain extent has no competitor. No other train runs upon its line except its own. How is it with shipping? One ship is hardly over a certain space in the ocean until another goes along the same track. One ship enters a port and docks. Immediately at its side comes another ship and docks. If we have an American ship landing at one of our ports, not

only can another American ship land by its side, but here comes a ship on its same track from England or Germany or France, or from any other country on the face of the earth; that ship may come with a crew receiving but half the wages received by the crew of the American ship. It may come from a port where the charges and dues were nothing like the charges and dues which the American ship has had to pay. It may be a ship that cost in its original construction not more than 75 per cent of the cost of the American ship. You can try to regulate it. If it does not like your regulations it will go somewhere else to do business or transfer to another flag. All these and many other various conditions show the difficulty of the operation of ships, and especially the operation of Government ships by the Government. I will not take up the time to point out other varying conditions. They will occur to anybody who will think about the matter for a moment.

But what about the present conditions as affecting the entrance into this business by the Government? Everybody knows that the present conditions are as unfavorable as they possibly could be.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Missouri?

Mr. JONES. Yes.

Mr. REED. The Senator has just said that conditions are as unfavorable as they possibly could be. One of these conditions is the fact that ocean rates are about four times as high as they were normally. Is that one of the things that make the conditions unfavorable?

Mr. JONES. I have gone into the matter of ocean rates heretofore, and I do not want to take any more time than is necessary, and therefore I do not care to go into that further. I could not, I think, convince the Senator from Missouri in any event.

Mr. REED. No; the Senator could not convince anybody of that if he would give the facts.

Mr. JONES. The Senator has his opinion, and I have mine; but I have answered that suggestion, I think, very fully in my remarks.

I was just going on to point out some of the unfavorable conditions, to my mind, for the Government going into the ownership and operation of ships aside from the suggestion of the Senator, whether or not that is a valid suggestion. What are the conditions which the Government will have to face if it wants to purchase ships now? It is going to have to pay the highest possible price; it is going to have to buy ships in the highest possible market.

Mr. REED. Why are ships high?

Mr. JONES. Oh, Mr. President, the Senator does not need an answer to that question.

Mr. REED. It is because they get high rates for shipment. I will answer the question myself; and that is the reason why it is profitable to go into the business.

Mr. JONES. Certainly; I think I have touched on all that, but I am coming now to the specific conditions which will confront the Government if it is going to go into the ownership and operation of ships, without discussing further the reasons.

The Government, if it buys ships, will have to pay the highest possible price; and what is it confronted with? It is confronted with the absolute assurance that within one, two, or three years it will face a great reduction in the value of those ships; in other words, we are going to buy ships on a high market with the absolute certainty that if we want to sell them in the near future we will have to sell them on a low market.

Mr. SMOOT. Mr. President—

Mr. JONES. I yield to the Senator.

Mr. SMOOT. Is it not a fact that four or five years ago the usual price paid per ton for the construction of a ship ran from \$30 to \$40, and is it not also a fact that to-day offers are made of as high as \$100 to \$120 per ton in order that shippers may secure ships to carry on the trade that commerce demands?

Mr. JONES. That is true; I was just coming to that.

Mr. SMOOT. And if the Government of the United States should undertake to purchase ships to-day they would have to pay the market price, which is \$100 to \$120 per construction ton; and if in two or three years they are compelled to sell those same ships the price no doubt would be about the same as it was before the advance in price owing to the demand for ocean carriers.

Mr. JONES. That is absolutely true, although the case is even stronger than that.

Mr. NELSON. Mr. President, will the Senator yield to me?

Mr. JONES. I yield to the Senator.

Mr. NELSON. The price of ships has increased even more than the Senator from Utah has suggested. Lately the premier of the Government of Australia purchased 10 ships to send wheat and other cereals to Europe, and they cost on an average over \$160 per gross ton; and the records show that there have been many sales from \$125 to \$150 per ton.

Mr. JONES. That is correct, and I was just going to mention that in connection with the proposal that the Government build ships.

Mr. FLETCHER. Mr. President, I call the Senator's attention to the testimony of Mr. Marvin before our committee. On page 18 of the hearings the following appears:

Senator BANKHEAD. Can you tell this committee about what would be the cost of, say, a 7,000-ton ship—what it would cost to build it and put it into service?

Mr. MARVIN. It would cost about \$500,000. Ships have been built in this country at as low a rate as \$50 per ton dead-weight capacity. The prices have gone up, because the cost of labor has risen and the cost of materials has risen.

So that he estimates that a 7,000-ton ship would cost about \$500,000.

Mr. JONES. Mr. President, anybody who will examine the testimony taken by our committee and the testimony before the House committee, and take it altogether, will be convinced that the statements made by the Senator from Utah [Mr. Smoot] and the Senator from Minnesota [Mr. Nelson] are correct; that if we were to purchase ships now, instead of paying from \$30 to \$40 or \$50 a ton, or at about that rate, we would have to pay from \$100 to \$150 or \$175 per ton for the ships. And nobody can deny that when normal conditions come about again if the Government desires to sell the ships, they could not be sold for a price to exceed \$30, \$40, or \$50 a ton.

Suppose the Government should construct its ships. It will have to make its contracts now, and contracts for the construction of ships will be based upon present conditions, not on what they will be two or three years from now. The Government will have to pay for ships that it will have constructed from \$100 at the lowest to \$150 or \$175 per ton gross. How far will the \$50,000,000 proposed to be appropriated by this bill go? As I said yesterday, we will probably under Government construction and Government administration and operation get about 250,000 or 300,000 tons, and inside of four years the vessels acquired will not be worth \$25,000,000—that would be a high estimate—and possibly by the time the ships are built, two years from now, they will not be worth half the contract price.

Any business man can see why that will be so; the people of the country can see why that will be so; they can appreciate the fact that when all the ships of the world are available for commercial transportation the price of ships must go down, and that these ships will be available inside of two years there can hardly be any reasonable doubt. If we were to contract under this bill to-morrow for the building of these ships, we could not get them short of two years; and I think I am justified in saying that what we would now contract to pay \$50,000,000 for would not be worth over \$25,000,000 when they were actually completed.

Do the people of this country want to do that? Do you call that a subsidy to anybody or for any particular purpose? Is that economy? Is that wasteful administration? Is that a wasteful policy? It seems so to me. I can not make anything else out of it. How can you expect to demonstrate the efficiency of Government operation and Government construction when you are confronted with a situation like that?

Why, as I said, if I were the strongest advocate of Government ownership and Government operation, and wanted to demonstrate the merit of my contention, this would be the last line of business and the last time that I would want to go into it in order to demonstrate it. Under this bill the people of this country will get the fewest possible ships for the money expended, and when they want to dispose of them they will get the lowest possible price for them. Somebody will get a greater subsidy than was ever before suggested and the people would get the least benefit.

Mr. President, under this bill there are various restrictions and impositions placed upon shipping in the foreign trade.

It is understood by a great many that under the terms of this bill the shipping board will have the right and the power to regulate the rates to be charged in foreign trade. Our friends on the other side seem to contend that this is not so. At any rate they declare that it is not their intention to do that; but I know that many of the shipping people think that is so. One man who contracted some time ago for the construction of eight or nine ships to go into the foreign trade—a man whom I know personally; a man of the highest character and splendid business judgment, and I am satisfied that what he says is his honest conviction—wrote me a few days ago that if this bill

goes through with the provisions with reference to regulation of rates and the publication of rates and the publication of their business in the foreign trade he will take his ships out of the foreign trade, or he will get rid of his ships at the very earliest possible opportunity; and he is not a Republican either. He may be mistaken in regard to the effect of the bill, but I am satisfied he believes what he says, and that he will do what he says he will do; and that is the great trouble with this bill. I think he is right in his view of the power given the board. Instead of promoting the development of the American merchant marine, instead of adding to its shipping, it will destroy the American merchant marine and drive men out of it who are in the foreign trade.

Mr. President, why is it that our people do not go into the foreign trade now? That is to say, why is it that they did not go into it before these abnormal conditions came up? Because they apparently could not compete with their foreign competitors. They did not think their investment was safe. They did not see a profit in it. They deemed our laws too harsh or too restrictive. They may have been mistaken, but they did not go into it, and there was no power that could compel them to do so. If we put upon them additional restrictions and additional impositions, we simply hamper and fetter our own development. That is all there is to it.

Why, Mr. President, instead of trying to regulate, instead of trying to control and hamper what we have not got, we ought to offer every possible inducement to bring into being what we so much desire. What we want is a shipping in the foreign trade. We have not got it except as it has come under these abnormal conditions that are soon going to cease. We want it; and instead of restricting it, instead of hamstringing it, instead of fettering it, we ought to make it free and offer every possible inducement and every possible encouragement for our people to go into the foreign trade.

In my judgment, by the restrictions that we have put into this bill—with a good purpose, of course; with a good intention, of course; in the hope largely of benefiting not the merchant marine but the shippers of the country—we will not only prevent the development of our foreign merchant marine, but we will destroy what we get under these abnormal conditions.

We did not begin to regulate our railroads until we got the railroads, and there is a great deal of question as to whether our regulation of railroads is a success or not. I am not going into that subject; but it does seem to me that it is not wise, it is not good statesmanship, to begin to regulate our shipping until we get our shipping. Then, we must not forget that, as I said a while ago, the shipping business is different from the railroad business. After we get our shipping we will have to be very careful about our regulating, for fear we will drive it from under the American flag, drive it to some other country. Ships do not have to come to this country. They can go anywhere in the ocean, free. If the restrictions, no matter how reasonable we think they are, are not satisfactory to the shipowner, he does not have to come under them.

Mr. President, what is going to confront us very soon? What is going to confront the shipping industry that we are building up now more rapidly than we ever did before? Why, Mr. President, that shipping industry is going to be confronted within the next three or four years with the most tremendous competition from every maritime country on the face of the earth. The ships of England that are now commandeered by the Government for the transportation of troops, Government supplies, and ammunition; the ships of France that are used for the same purpose; the ships of Germany that are tied up in neutral ports; the ships of England that are tied up in neutral ports, if there are any—all will be set free to engage in the commerce of the seas, and they will all meet our ships, not under our regulations, not upon our terms, but under their regulations and upon their terms. They are free.

Mr. FLETCHER. Mr. President, I will suggest to the Senator that it is estimated, I think from reliable sources, that at least 3,000,000 tons have gone to the bottom of the ocean.

Mr. JONES. Oh, yes; that is true. There will be some little shortage for a while. How long will that last? What are the shipyards of England doing now? What are the shipyards of Germany doing now? I do not know. They may be engaged in the building of naval ships, warships; but the minute the war closes they will run day and night to their utmost capacity in the construction of merchant ships. I saw in a paper the other day that in Germany they are constructing a large number of great merchant ships, one of them of 56,000 tons.

I do not know whether it is true or not—I suspect it is—they know this war is going to end. They are going to make every possible preparation for it. They know that when this war ends a commercial war will begin. They are going to be

as fully prepared to engage in this commercial war as they possibly can be when the peace that they know is inevitable comes, and we are going to have to face it. They are going to go after our market at home and abroad. They know it is the greatest and richest in the world. They want it. They are going to take it if they can, and they are going to coordinate every governmental power with private enterprise to take it.

Mr. GALLINGER. Mr. President—

Mr. JONES. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I assume the fact has not escaped the attention of the Senator that very recently a proposition was made in the French Assembly to make a grant of a considerable sum of money to the Government of France for the purpose of getting a fleet of steamships; but after debate it was concluded that the proper thing for France to do was to make a loan of 100,000,000 francs to the shipbuilders of France, and that loan has been made, to be repaid with a very small rate of interest.

Mr. JONES. That is correct. I am glad the Senator made the suggestion. There are a great many of these things that ought to be suggested that I did not feel that I had the time to take up. I have taken much more time than I ought to have taken or than I expected to take; but that simply illustrates what these countries are doing to-day and are going to do in order to meet the conflict that is coming. Why, Mr. President, instead of hampering their shipping they are not only leaving it perfectly free but they are giving it every possible encouragement, not only by direct subsidies and subventions but by loans, such as just mentioned by the Senator from New Hampshire, and by secret relief and secret benefits and secret encouragements, and everything of the kind.

We propose to regulate the rates. There is not a country on the face of the earth that pretends to regulate the rates to be charged by its shipping in foreign commerce; and if that is true—and it is true—why should the United States, when its shipping is just being built up, start out upon a proposition that can not do anything but hamper it?

The advocates of this measure say they do not intend to do it by this bill, but they do not make it very plain. It ought to be made plain. There are those in the shipping business who think that this board is given the power to regulate, to a greater or less extent, the rates to be charged, and I believe they are correct.

Mr. CUMMINS. Mr. President—

Mr. JONES. I yield to the Senator from Iowa.

Mr. CUMMINS. I should like to call the attention of the Senator from Washington to section 18. I suppose he has already referred to it; but in view of what he has just said, I suggest that the language of the bill is very plain upon the point just mentioned. It does give the shipping board absolute power to fix the rates for every common carrier by water in foreign commerce; and when we turn to the first section of the bill and find how a common carrier by water in foreign commerce is defined, it will be seen that the attempt is made here to give the board power to regulate or fix the rates on all such commerce. My question is, Does the Senator from Washington, or does the Senator in charge of the bill, or any Senator who favors the bill, believe that we can regulate the rates of foreign ships?

Mr. JONES. I do not know how it can be done.

Mr. CUMMINS. I should like, at some time during the discussion, to know what the interpretation of that and kindred sections is with respect to that subject—as to whether the United States can fix the rates for every ship that comes into our ports, either to deliver goods or to carry away goods from our shores?

Mr. JONES. Mr. President, I should like to have that question answered at some time during the discussion. It was not answered in the committee. It was contended that they could do it. It was claimed to be the intention to regulate these foreign carriers as well as our own, to see that our own people are put on the same basis with them. It was contended also that this bill did not give this board the power to regulate charges by our ships in foreign commerce. I can not see any construction of that kind in the language of the bill. Under the language of the bill I agree with the Senator from Iowa that it does give this board, or attempts to give this board, that power.

Mr. FLETCHER. Mr. President, I would suggest that section 18 provides as follows:

That no common carrier by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly discriminatory between shippers or ports or unjustly prejudicial to exporters of the United States as compared with their foreign competitors.

I do not think there is any question but that Congress has the power to deal with that. I do not think there is any doubt

but that we can prevent discrimination of that kind. We have various means of doing that.

In giving clearances from our ports we may require compliance with such rules and regulations as we may see fit to require. Other countries have done it, and we have that power under the Constitution. We can absolutely prohibit a foreign ship from coming into the port of New York or other ports of the country. We have not seen fit to do it in the past; but with reference to the general powers exercised by other countries in the matter of control of freight-rates, and the statement which has been made that no country on earth has done such a thing, I call attention to some of the remarks I had occasion to submit the other day where I gave instances of that kind. Australia has done it, for one; Norway in large measure; Japan; Austria-Hungary; Canada in very large measure.

Mr. JONES. But are not those Government ships, or ships carrying Government mails, or something of that sort?

Mr. FLETCHER. Not altogether.

Mr. JONES. Practically every one of them, I understand.

Mr. FLETCHER. In the case of Australia, the Commonwealth Government has assumed power to control the movements of Australian shipping, and has also secured authority to regulate freight-charges between Australian ports.

Mr. JONES. That means Australian ports. We are talking about foreign trade.

Mr. FLETCHER. France has exercised very large control.

Mr. JONES. In foreign trade?

Mr. FLETCHER. In foreign trade.

Mr. JONES. And fixed rates?

Mr. FLETCHER. Yes; a large measure of control of their ships.

Mr. JONES. Is it true that France tried to regulate the rates in the foreign carrying trade?

Mr. FLETCHER. It has practically controlled the rates where the Government requires certain things to be done, certain payments to be made, just as Great Britain when charging a large percentage of the profits of shipping has been in a large measure dealing with the question of rates.

Mr. JONES. She is not interfering with the charges her ships will make in their dealings with other countries.

Mr. CUMMINS. The answer of the Senator from Florida is hardly satisfactory, if it be an answer at all. My question was whether it was claimed by the supporters of the bill that an American shipping board could fix the rates that should be charged by a foreign ship carrying goods to this country or taking goods away from this country. That is just the power that is attempted to be given to the shipping board.

Mr. FLETCHER. I undertook to show that we can prevent a discrimination against our own exports by foreign ships.

Mr. CUMMINS. Precisely. If the Senator from Washington will permit me just a moment more the language of the bill is:

Whenever the board finds that any such rate, fare, or charge is demanded, charged, or collected it may alter the same to the extent necessary to correct such unjust discrimination or prejudice and make an order that the carrier—

That is whether an American ship or a foreign ship—shall discontinue demanding, charging, or collecting any such unjustly discriminatory or prejudicial rate, fare, or charge.

I venture to say we can confer no such authority upon a shipping board, and I venture, further, the assertion that there is no country on earth that has attempted to give any department of its Government the authority to fix a rate that should be charged by a foreign ship.

Mr. JONES. I agree entirely with the Senator from Iowa. He is absolutely correct. I did not intend to go into the special terms of the bill. I was talking about the commercial contest which is going to confront us when this war closes, and I called attention to what I think the fact will be, that every maritime nation on earth will do its utmost to get as much of the carrying trade of the world as possible, that they will offer every possible encouragement and inducement to their merchant marine, and they will place just as few restrictions upon it as possible.

England especially is the great maritime power. England especially desires to control the sea. She has done it and she is going to try to continue to do it, and we might just as well face the fact now that Great Britain will do everything in her power to keep us off the sea. England will do everything in her power to prevent the development of the American merchant marine. It has been the whole course and policy of Great Britain to destroy where she could the maritime interest of other nations and develop her own. It is a wise policy from her standpoint; she can not be blamed for doing it; but it does look strange that we should play into her hands when the great opportunity presents itself to us now to take our place in the maritime trade of the world.

What has been the policy of England? What has she done to build up her maritime interests? I want to call your attention briefly to some of the acts that she has passed just to illustrate what she will do in behalf of this same interest, an interest that is absolutely necessary to England's perpetuity and to her supremacy.

In 1600 Sir Walter Raleigh uttered this fundamental truth:

Whosoever commands the sea commands the trade, whosoever commands the trade of the world commands the riches of the world, and consequently the world itself.

That has been the basis of England's action. That has been the principle that has underlain her policy with reference to shipping from the beginning. That expression of Sir Walter Raleigh was simply the expression of the principle that had been animating Great Britain prior to that time. In 1381 England passed this law:

That for increasing the shipping of England, of late much diminished, none of the King's subjects shall hereafter ship any kind of merchandise either outward or homeward but only in the ships of the King's subjects, on forfeiture of ships and merchandise, in which ships also the greater part of the crews shall be of the King's subjects.

Suppose we should pass a law like that to take effect when this war is over. We would develop an American merchant marine, we would continue its development, and while it might seem like a harsh proposition, it would probably bring very great results.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Washington yield to the Senator from Utah?

Mr. JONES. I do.

Mr. SMOOT. In this connection I wish to call the Senator's attention to the fact that England, Germany, France, Japan, Austria—I might say every maritime nation of the world—has passed laws since the beginning of this horrible war preventing the sale of a merchant vessel to anyone outside the citizens of the country passing the law. They see the necessity of maintaining their merchant marine.

Mr. JONES. They are getting ready for the conflict that is to come.

Mr. SMOOT. They have passed laws that would prevent a citizen from selling a ship to a citizen or company of any other country. They can plainly see what is coming, that the greatest conflict in the world will be upon us in a very little while, and if we pass legislation such as this—

Mr. JONES. They will laugh at us.

Mr. SMOOT. It will be impossible for us to do any trade at all.

Mr. JONES. Yes; they are laughing in their sleeves now at the action we are taking.

Along in 1662 and for a short time after that the Dutch navigators began to go about the sea and to develop their merchant marine. They began to supplant the English, and they got so bold about it that England's attention was called to it. They went down the English Channel with brooms at the masthead to signify to Great Britain how they were sweeping her off the seas. What did England do? Did she sit supinely by and allow that to go on? Did she pass some Government-ownership proposition or something of that sort? This is what she did: Here is a statement prepared by Hon. Alexander R. Smith, now editor of the Marine News, and one of the best informed men with reference to the merchant marine that we have in this country. He says:

When Oliver Cromwell, a trifle more than two and a half centuries ago, had composed the differences that had previously existed in England and had brought about an orderly condition in that turbulent country he paused for a moment to gaze seaward, and instantly he realized that he had but half completed the work high destiny had imposed upon him. Passing down what were then called the Narrow Seas, now commonly called the English Channel, were numerous Dutch ships that, too arrogantly for Cromwell's gorge, flaunted at their mastheads a broom heralding to the world the fact that they "swept the seas," because at that time the maritime dominance of the Dutch was unquestioned.

Cromwell, happily for England, was a man of action. He was also a man of indomitable determination. He set about the task of removing the brooms from the mastheads of Dutch ships. It was some task, but Cromwell accomplished it, and he did it so thoroughly that since that time Dutch participation in maritime affairs has been of a minor character.

How did she do it? She passed this law:

Act 12, Charles II, Chapter VIII, section 3: And it is further enacted, etc., that no goods or commodities whatsoever of the growth, production, or manufacture of Africa, Asia, or America, or of any part thereof, which are described or laid down in the usual maps or charts of those places, be imported into England, Ireland, or Wales, islands of Guernsey and Jersey, or town of Berwick-upon-Tweed in any other ship or ships, vessel or vessels whatsoever but in such as do truly and without fraud belong only to the people of England or Ireland, Dominion of Wales, or town of Berwick-upon-Tweed, or of the lands, islands, plantations, or territories in Asia, Africa, or America to His Majesty

belonging, as the proprietors and right owners thereof, and whereof the master and three-fourths at least of the mariners are English, under the penalty of the forfeiture of all such goods and commodities and of the ship or vessel in which they were imported, with all her guns, tackle, furniture, and apparel, one moiety to His Majesty, his heirs and successors, and the other moiety to him or them who shall seize, inform, or sue for the same in any court of record by bill, information, plaint, or other action wherein no essoin, protection, or wager of law shall be allowed.

Now, that was an effective method of promoting British maritime interests and destroying the Dutch. It did accomplish its purpose. That is the character of method that England has been using, when it was necessary, to develop her merchant marine.

By this law only the nations of Europe could carry their own products or manufactures into British ports in their own vessels. The rest of the nations and all other parts of the world were dependent on British shipping. So were all the colonies of Great Britain and the British domestic trade. The monopoly set up by this law violated the right of every people excluded from the carriage of their own merchandise to market.

England had no regard for that. She was looking after her own interest, protecting her own people. It may have been some little hardship, because they could not bring goods to England in some of the ships that possibly would have carried them a little cheaper, but it built up the great merchant marine of Great Britain upon which the very life and perpetuity of the nation depended.

What did she do in reference to the colonies, a part of her own people? In the navigation act of 1771 this provision is found:

No goods or commodities whatever of the growth, production, or manufacture of Europe, Africa, or America shall be imported into England or Ireland or into any of the plantations (American Colonies) except in ships belonging to English subjects of which the master and the greater number of the crew shall also be English.

That is familiar history, of course, to every Member of the Senate; yet I thought it might not be amiss to call attention to it now, to put it in the Record, to show what England has done and to show what we are likely to meet—the principle, at least, and the policy we are going to meet in a commercial contest with the world when this war closes. England will leave nothing undone to maintain not only her supremacy upon the sea but to keep just as much as possible other nations off the sea and out of the maritime business.

Mr. GALLINGER. Mr. President—

Mr. JONES. I yield to the Senator.

Mr. GALLINGER. There is a more recent example that has always attracted my attention. We were having a great prosperity, so far as our merchant marine was concerned, under the historic principle of the founders of the Republic in the matter of discriminating duties. Great Britain, with her usual foresight and wisdom, induced our Government to agree to a policy that forbade us giving any advantage to our shipping that Great Britain did not give to hers; that is to say, we would abolish the discriminating-duty policy and we would have reciprocity, as it was called. We were foolish enough to enter into that commercial agreement with Great Britain, which is still in existence, but Great Britain immediately commenced giving large subsidies to her vessels, and handicapped us in that way, so that without subsidies given by our Government we were utterly unable to compete with Great Britain. That, to my mind, had a great deal to do with the decline of our merchant shipping in competition with Great Britain and other countries that gave governmental help to their ship-building industry.

Mr. JONES. When the Underwood tariff bill was under consideration here in the Senate, I remember that, one night along about 12 o'clock, I made a speech on that proposition; and I convinced myself, at any rate, if nobody else, that our abandonment of the discriminating-duty system was the primary cause for the decline of the destruction of our merchant marine. I did not intend to go into the matter here and to take the time up fully. I thought I made it pretty clear in that speech; I thought I showed, by five-year periods, how this operated, and showed how England did not accept our proposition that we embodied in the statute until she had everything ready to destroy us, until she had her discriminating features all framed up and in operation; and then she continued them after she had accepted our proposition of reciprocity and fair treatment. I have urged time and again, and I urge again, that we get rid of the treaties—that we get rid of these fetters that bind us now—and let us start into this commercial campaign at least upon an equality with these foreign countries, unfettered at any rate by any act of our own. We ought to get rid of those treaties just as quickly as possible. I made some remarks along this line a month or so ago, and will not go into it now further.

We hear talk about retaliation. We can meet them on a retaliation proposition now. We have got to meet them anyhow. They will discriminate against us in every conceivable way—secret and open.

Mr. GALLINGER. If the Senator will permit me, I will venture to suggest to him that some months ago I offered a bill in this body restoring the discriminating-duty policy of the Government and providing for an abrogation of the commercial treaties. It went to the Committee on Commerce, and I suppose it is safely lodged in the pigeonholes of that great committee. I have never heard of it since.

Mr. JONES. It is there.

Mr. GALLINGER. The Senator called attention to Great Britain and her wisdom in looking after her own interests, especially her merchant marine. If the Senator will permit me I will read a few lines which I proposed to use myself, but I am sure it will get a wider circulation if it goes in the Senator's speech than in mine.

Mr. JONES. Oh, no.

Mr. GALLINGER. It shows how a newspaper of Great Britain looks upon the experiment we are now trying in this country. It is from the London Spectator of February, this year:

All over the world experience has shown that the intervention of the state in any particular industry frightens away private capital. American economists are fond of emphasizing this point when they contrast the American railway system, constructed by private enterprise, with the railways of India, constructed by Government enterprise.

He might have added the railways of Canada, where the greatest possible scandals have grown out of the governmental construction of the Canadian railroad:

The disproportion of mileage is enormous, and far greater than can be explained by the difference, admittedly great, between the industrial conditions of the two countries. Therefore, from the point of view of the British shipping industry, we certainly hope that President Wilson will persist in this bill, which might be briefly described as a scheme for handicapping American commercial enterprise by State competition.

They are felicitating themselves in Great Britain on this legislation as giving a further boost to British shipping to the disadvantage of ours.

Mr. JONES. I am very glad indeed that the Senator read that to the Senate. I had not seen that article. It confirms the ideas I have expressed in reference to the attitude of England regarding this legislation. She is not afraid of it. As I said a while ago, she is laughing in her sleeves at our effort to try to do something for our merchant marine. As long as we go along these lines there will be no trouble with Great Britain. She will not be opposing our legislation or anything of that sort, because her interest can not be served better than by the passage of such legislation as this.

What is England doing now? She is stopping our ships. She is confiscating their cargoes. She is taking them into port, holding them up, delaying them. She is delaying our mails, not letting them get through. She is blacklisting our citizens, blacklisting our ships, blacklisting the citizens of neutral countries so that they can not trade with us, so that they can not ship in our ships, and all this sort of thing. She is doing it on the plea, of course, of the necessities of war; yet there are some of those things that can not be explained upon any other theory or upon any other principle than that she wants to stop the development of the American merchant marine in certain lines of industry where we are threatening to get in.

A Senator the other day suggested that there were some ships that our Government could buy. I have heard of some. Why can we buy them? Why do they want to sell them? Because Great Britain has blacklisted them; that is why. What did the owners of one of these ships try to do some time ago? They tried to get some war insurance from the Government. What word was sent to them by the Treasury Department? "We can not give it to you, because England will not consent to it." That is what we have done. It was taken up by a party who knows how to do these things with the head of the Treasury. The Secretary ordered the insurance granted and kept the telegram. England took some of the ships of that company and is using them to-day. She told this company it could sell some of the others, but she would fix the price. That is her treatment of American citizens. No wonder they would sell to the Government that will not insist on the rights of its citizens being respected.

What is England doing in South America now? Blacklisting firms that would like to do business with this country; and they can not do it, because England objects.

I have another matter that I am going to call to the attention of the Senate in a very few days, showing how England is domi-

nating not only our commerce but our legislative policy. We will not pass any legislation here for the interest of our own people, for the development of our own industry, which England objects to. England is doing all these things and many more, and all we say to her is, "Tut, tut, don't do it any more."

Mr. GALLINGER. And she keeps on doing it.

Mr. JONES. Of course she keeps on doing it, and she will keep on doing it as long as she gets away with it, as the Senator from New York [Mr. WADSWORTH] suggests to me. Certainly she seems to be getting away with it all the time. She has gotten away with it from the very beginning of this administration, at her behest, without any reason given from that day to this. We repealed a statute that we had deliberately placed upon our books and imposed the tolls upon every American ship going through the Panama Canal that is imposed on the ships of any other country on the face of the earth going through that canal. At England's behest we turned over to the world this great enterprise constructed upon American soil by American energy and capital, and discriminated against our own people in the interest of England and other nations. From that day until this England has had her way in everything which she desires.

Mr. President, it seems to me that this is the opportunity for this country to do what we have been wanting to do for many, many years. It seems to me that this is an opportunity that is similar to that which presented itself to Great Britain during the Civil War, which she took advantage of. It seems to me that the condition brought about by this terrific conflict across the water opens up the opportunity for us to provide a policy under which when conditions become normal our shipping development can continue.

Mr. FLETCHER. Mr. President, it seems to me the Senator's argument now is directly in conflict with his contention some time ago when he was agreeing with the Senator from Iowa [Mr. CUMMINS] that no country could undertake to regulate its foreign rates.

Mr. JONES. Oh, no; it has nothing to do with the foreign-rate proposition.

Mr. FLETCHER. It has to do with foreign shipping.

Mr. JONES. That was not the question a while ago. I did not say they did not regulate the shipping. They do everything under the sun to encourage their shipping. They may get some of the profits that they have gotten, but they do not try to fix their rates, to fix the amount they shall charge their customers, unless it is in the case of ships getting a subsidy or subvention for carrying the mails, or something of that sort.

Mr. FLETCHER. Let me read the Senator what Mr. Runciman said in the House of Commons:

The control [by the Government] of shipping is now so wide and so adequate that there is no vessel which can go and trade anywhere without permission of one kind or another. The last gap in that control is filled up by the licensing committee having to license vessels, not only those which run between foreign ports, but also those which run between this country and allied countries (p. 217).

Then they proceed to limit importations, absolutely controlling the products which may or may not come into their country. The remedy decided upon by the Government in February, on the principle that high freights are due to the fact that the supply falls short of the demand, was to place restrictions upon imports. The first imports to be affected were paper, paper-making materials, tobacco, dried fruits, furniture woods, stones, and slates. Orders in council were issued prohibiting the importation into the United Kingdom of any article which came under the general head of "luxuries."

That is the kind of control the United Kingdom exercises over its shipping.

Mr. JONES. Mr. President, that is a war measure; that is a war proposition. We are not at war with England or with any other great power. We do not need any war measure of that kind; but the Senator will find that, as soon as the war is over, whatever restrictions they put upon transportation that interfere with the development of their merchant marine will be taken off.

Mr. FLETCHER. I do not contend that we want to exercise any such power; but I am only answering the suggestion that the Government has no such power as is proposed to be exercised in this bill.

Mr. JONES. But, Mr. President, that does not answer the suggestion of the Senator from Iowa, in my judgment, at all. The suggestion of the Senator from Iowa did not apply to conditions or to propositions like that. However, the Senator can take care of that matter better than I can.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Iowa?

Mr. JONES. I do.

Mr. CUMMINS. The Senator from Florida [Mr. FLETCHER] evidently misconstrued what I said. I said that England, as an example, has never attempted to fix the rates which should be charged by an American ship plying between the ports of Great Britain and the ports of the United States. I still adhere to that assertion, and insist that Great Britain would have no authority to fix those rates. Of course we have the power, in the absence of a treaty to the contrary, to exclude all foreign ships from our ports and not to permit them to do business with us at all. I have no doubt about that power; but that is entirely different from the authority to regulate the rates which shall be charged by a ship foreign to the country passing the law.

Mr. FLETCHER. Does not the Senator think that, included in the larger power, would be the power to prevent discrimination against our own people in the matter of shipping? That is the point, it seems to me—that the larger power must include the lesser.

Mr. CUMMINS. All I have to suggest in answer to that is, Suppose we should fix one rate for the ship and Great Britain should fix another rate for the ship, which rate would prevail?

Mr. JONES. Mr. President, as I was saying, I think we need now a policy, and we ought to adopt a policy looking to the permanent development of the American merchant marine through private enterprise and private capital. Nobody contends that it is the intention of the Government to invest seven hundred and fifty million or one or two billion dollars in the construction or purchase of ships. This bill provides a mere drop in the bucket. It is proposed and urged as an emergency proposition. It is not pretended that it will lead to a positive or a permanent development. If it has any effect whatever, it will be a deterrent, rather than an encouraging effect. We should now adopt a policy, if possible, that would take care of the situation that is going to confront us when the European war is over. If we could adopt a policy which would insure the construction of cargo ships, which would insure that anyone who built a cargo ship would have a cargo coming back to America after he had carried away our goods—if we could adopt a policy under which the building of fast ships would be encouraged for the carrying of our mail and of our passengers, then indeed would we continue the building up of the American merchant marine; then indeed would we extend our trade, build up our shipping, and develop our shipyards, afford lower rates, and furnish good transportation for the producers of our country.

Mr. President, I want to notice briefly some of the provisions of the bill, and I am going to do that as hurriedly as possible, for I have already taken much more time than I intended to take. There is one amendment that I think ought to be made in the bill. Under the definition of "common carrier by water in foreign commerce" the bill says that this phrase means:

A common carrier, except ferryboats running on regular routes, engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions and a foreign country, whether in the import or export trade.

Mr. President, my judgment is that that covers what is commonly known as tramp ships as well as ships going upon regular lines and regular routes. The great majority of the world's commerce—of the world's cargo-carrying commerce—is done by tramp ships. Those ships do not go regularly from port to port. They may on one voyage visit the ports of two or three or any number of different countries before coming back to the home port. Sometimes they are gone from their home ports for 8, 10, or 12 months, touching at the ports of various countries. They may go with a cargo from one port to another, and from that port in ballast to a third port for a cargo, and take that cargo to a fourth port, and so on. It does not seem to me that we ought to attempt to regulate these vessels which are purely independent shipping carriers, if we might say that, independent of the regular lines; and any regulation or restriction that we place upon ships of that character is bound to strangle and to throttle the tramp ships, so far as our tramp ships are concerned, and is bound to concentrate the carrying trade in regular shipping lines, in great transportation companies. The tramp vessels ought to be excepted from the terms of this bill, in my judgment, just as ferryboats are excepted; but our Democratic friends have held their caucus and have decided upon the amendments to this bill; hurried it out of committee, with no opportunity to propose these changes; and, of course, it has come into the Senate; it is here, and it is going to be passed under the party decision of a party caucus. Only amendments that are agreeable to the party caucus can go on the bill.

The paragraph from line 12 to line 17, on page 2 of the bill, has been ver- materially amended from the way it came over

from the other House, but I think it ought to have been stricken out entirely. Under it, I think, it is possible, and not only possible, but I think it is the real construction, that his board will have jurisdiction over wharfmens and even draymen handling the merchandise between the ship and the wharf. All those men in the various ports of the country will have to make their reports to the shipping board, file their charges, be liable to prosecution for failure to do so, and be subject to the control of the shipping board. That seems to me to be really ridiculous, but, notwithstanding that, the majority insist upon its going into the bill.

Mr. President, I think that the majority have made a very wise amendment in striking from this board the Secretary of the Navy and the Secretary of Commerce. If we are going to have a shipping board, it ought to be one entirely free from politics; as free as it possibly can be. It ought to be entirely free of having as a part of its membership a purely political officer. It would be just as much out of place to have the Secretary of War a member of the Interstate Commerce Commission as to have any departmental officer on this board. The committee and the caucus did very wisely, I think, in cutting this provision out of the bill, and I hope that will be insisted upon when the bill goes to conference. The people will certainly have much more confidence in the impartiality of this board if there is not a Cabinet officer on it than if it has Cabinet officers in its membership.

As to section 5, I have already called attention to the fact that under that section the title of the bill is practically nullified; that while under the title the naval auxiliary feature is made a principal and primary purpose of the bill, under section 5—that is, the legislative part of the bill—it makes the commercial feature the fundamental and principal proposition and the naval auxiliary part purely incidental, and it could be left out of consideration entirely.

I want, however, to call attention to the language here with reference to the construction of these ships, if we are going to construct them. The bill reads:

That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards—

That is all right—

and navy yards—

That is all right—

or elsewhere.

What does that mean? Well, that means elsewhere; it means in Japan, in China, in Great Britain, in France, in Germany, or anywhere else by foreign labor and out of foreign material. Under what conditions can these ships be constructed elsewhere? giving preference, other things being equal—

Mr. WADSWORTH. And they never are equal.

Mr. JONES (continuing reading)—
to domestic yards.

Mr. President, under that clause every ship that the Government may order constructed is very likely to be built in a foreign shipyard. It may be that they could not get it done now while the European war is on, but if the war closes, and then we call for bids for the construction of these ships, every one of them will go to a foreign yard, because, under that language, if the bid of the foreign yard is one dollar less than the bid of the domestic yard other things are not equal—that is, other things besides one being the domestic yard and one the foreign yard—they are not equal.

I wanted to put in a provision something like this: That the ships could be built elsewhere if the bids of the domestic yard were considered extortionate or excessive. That is substantially the provision that the Republicans enacted with reference to the Panama Canal; but my Democratic friends would have nothing of that; they must have this provision.

Why, Mr. President, what are the conditions? Laborers in Japanese shipyards get from 40 to 80 cents a day, while in American shipyards they receive from \$2.50 to \$6 a day. Japan is becoming efficient in the shipbuilding industry; she is encouraging her shipyards; and whenever the time comes that this Government calls for bids for the construction of the ships provided for by this bill and opens those bids to the shipbuilders of the world, we will find that the Japanese and the English and the Germans will underbid our domestic yards. Then, instead of practically insisting upon the employment of American labor, the encouragement of American capital, the building of American ships, we will have ships for the Government built by foreign labor out of foreign material by foreign capital.

Mr. President, section 9, as it came to us from the House, contained a provision that if any foreign-built ships were given American registry under this act or under the emergency act which we passed in 1914, such ships could not engage in the

coastwise trade except that such vessels might "engage in trade with Alaska, Hawaii, or Porto Rico, whether or not en route to or from a foreign port, if the board finds such trade is not being adequately served by a regular line or lines of vessels."

What has the Senate committee done? The Senate committee has provided absolutely that any foreign-built ship enrolled or registered or licensed under this bill may engage in the coastwise trade anywhere and under all circumstances. They leave no discretion, even to the shipping board, to exclude them. If service between American ports is adequate and sufficient, still foreign-built ships can engage in that trade.

Mr. President, the coastwise trade policy is one that has been in force in this country for over a hundred years. In my judgment the people of the United States are in favor of maintaining that policy. Under it we have developed a great American merchant marine. It is practically the only merchant marine we have, or did have when the conflict in Europe broke out. We are proud of it, and when some of us have urged developing a merchant marine many of our Democratic friends have pointed to the aggregate tonnage of the American merchant marine in the domestic trade, a merchant marine which has been built up under a policy of protection. Our Democratic friends are against protection in any form or character, and they seem to want to strike down this protective policy and this protected industry. This is but the entering wedge to the opening up of the coastwise trade of the United States to foreign-built ships; and, Mr. President, when the time comes that the coastwise trade of America is open to foreign-built ships, then will go the last vestige of American shipping. It may take time, but it will go, just as our foreign shipping has gone. England, of course, is rejoicing at the efforts we are putting forth to build up a foreign merchant marine, but she is rejoicing even more to see us strike at our domestic merchant marine.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Iowa?

Mr. JONES. I do.

Mr. CUMMINS. Purely for information, I ask the Senator from Washington whether there is any other provision in this bill for the registration or enrollment of a vessel except the provisions contained in section 9?

Mr. JONES. That is the only section of the bill bearing upon that question.

Mr. President, I received a memorandum this morning prepared by Mr. Smith, to whom I referred a while ago, calling attention to the fact that under this provision if the shipping board leases a foreign-built ship, as it can do under this bill, or charters one, this bill attempts to allow that vessel to go into the coastwise trade. He also touches in this memorandum much better than I could do upon some other features of the bill. I ask that I may insert the memorandum at this point in my remarks as a part thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memorandum referred to is as follows:

This bill attempts to define the status of "common carriers" by water with a view to compelling such carriers to go into the matter of printing and filing rates in the same manner that common carriers by rail file their rates in the case of water carriers with the shipping board as in the case of rail carriers with the Interstate Commerce Commission. It won't work, except in the case of regularly established lines. An independent ship may be on time charter for a while, on a trip charter another time, may be a common carrier on one trip or on a passage one way, and a private carrier on another trip or on one portion of a trip. She may be a common carrier, in short, for so brief a time, and in such a limited manner as to permanence, as to render it quite impossible for her owners to prepare the classification of rates and file them in the same manner that a regularly established line or a railroad could and would.

The effect of the obligations imposed on independent common carriers by water will be to discourage the use of independent steamships of the tramp variety from intermittently performing the functions of a common carrier. On the contrary, they will be compelled to confine their operations largely, if not wholly, to the carriage of bulk cargoes or perform the service of private carriers. It will, in short, be utterly impossible to compel these intermittent carriers by water, which shift by seasons first into this trade and then into that, carrying grain from Argentina a few trips, cotton from Gulf ports a few trips, sugar from Cuba still other trips, grain from the Black Sea other trips, and bulk cargoes from different parts of the world as they are seasonally accumulated, to submit to either the expense or the annoyance of filing schedules of rates, agreements and the like, as steamships of regularly established lines may do. To sum it up, the competitive influence of the itinerant or independent carrier will be tremendously abridged in the trade with the United States, and not at all abridged in the trade of other countries not with the United States. Thus the export and import commodities of other nations, rivals to ourselves, will be carried under far less hampering restrictions than ours will be, with greater expense to us and less expense to our rivals.

It will not be difficult, nor will it be a serious hardship, for regularly established lines of steamships to conform to the requirements imposed by this bill upon "common carriers," either in foreign or in

domestic trade. Where the obvious purpose of the men who have drafted these provisions is to increase the competition of independent ships with regularly established lines of ships just the reverse will, in all probability, be accomplished. The regularly established steamship lines, which regard the independent steamships of the tramp or itinerant variety, the ship of no known regular run or route as the bane of their existence, interfering with their business and often compelling regular lines to abate their rates, will no longer be annoyed by the independent ships, because the provisions of this bill will drive the independent steamships out of precisely the competition that the regular lines of steamships would be most pleased to have them driven out of. It is a case of aiming at the goose and hitting the gander.

The mobile seas, the wide waters of the world, upon which the independent water carriers are ever moving, first in one direction and then in another and still another, will shun the trade of the United States, except only in such cases as they act as private rather than as common carriers; precisely the reverse, doubtless, of what the men who have drafted these provisions intended or desired. Because it is not to be assumed for a moment that it is the purpose of these provisions to strengthen the grip of the regularly established lines on the business they control as common carriers and to weaken the competition of the independent, itinerant steamship, and yet that is precisely what the bill will accomplish if unamended.

Legislators, unfamiliar with the details of transportation, who have succeeded in so legislating as to regulate the transportation by rail where freight moves always over fixed lines or fixed routes, and never vary as to their functions as common carriers, think they can apply the same sort of legislation to the ever shifting and changing independent carrier by water, but they will learn that the whole effect of the provisions they have framed will merely be to make more and more difficult, more and more impossible, the competition of independent water carriers with regularly established lines. Traffic conditions by sea are so entirely different from what they are by rail that the rules applicable to rail carriers will not work with independent water carriers.

Probably, however, nothing is so absurd, so ridiculous, so utterly impossible, as the provisions of sections 5 and 9, giving the shipping board power to charter and lease foreign vessels and place such vessels under American register or register and enrollment, or register enrollment and license, as vessels of the United States. These terms "register" and "enrollment and license" refer to certain documents issued by the customs authorities, defining the nationality, status, and destination of vessels, or the areas within which they may operate. It is proposed by this bill to authorize the shipping board to take a British ship, for instance, under charter or lease, a transaction that would not in the ordinary traffic of the seas in the least degree interfere with the nationality of the vessel, and make of her during the time of her lease or charter an American vessel. In the first place, the owners of the vessel would not consent to such an undertaking, as the laws of Great Britain would prevent them from consenting to it. Secondly, Great Britain certainly would not consent to allow a ship really British, as to her ownership, to be registered or enrolled and licensed as a ship of an alien nation. The same is true of other foreign owners of foreign ships and the governments of the countries whose citizens and subjects own these foreign ships.

The whole scheme of legislation as to charter and lease of foreign vessels and documenting them as vessels of the United States, as proposed by the bill in sections 5 and 9, is as impracticable as the building of a railroad line from the earth to Mars. It is a lot of tomfoolery that will make the legislators of the United States the laughing stock of the whole maritime world. One feels foolish in attempting to analyze such incongruous and unheard-of absurdities. The courts will throw out everything intended in sections 5 and 9 as to the chartering and leasing of foreign ships by the shipping board, and all attempts to register or enroll and license such chartered or leased foreign ships as vessels of the United States will be declared by our own courts and by the courts and the governments of other nations as utterly and wholly futile and null and void. Such foreign vessels can not have any status as American vessels unless owned by American citizens, in which case they cease to be foreign vessels; but they do not cease to be foreign vessels while merely under charter or lease, and so long as they remain foreign vessels they can not by any legislative legerdemain become vessels of the United States.

With a zeal worthy of a far better cause, Congress is to be asked to kill off American-built ships in the coasting and lake trade of the United States and substitute foreign vessels, built by foreigners, for them. To the extent that this is planned in the way of purchase of foreign-built ships by the shipping board it will probably be lawful and accomplish the object sought, to wit: To destroy American shipowning in our coastwise carrying, as it has been all but destroyed in foreign carrying, and to destroy the industry of building ships of ocean types in the United States for coastwise carrying, as, until this war, such shipbuilding for foreign carrying had well-nigh ceased. The effect of this will be to destroy American shipping in coastwise trade as it has already been destroyed in foreign trade, and the same instrument that has all but wiped out American ships in foreign trade will accomplish their destruction in coastwise trade, and that instrument is free trade—Democracy's fetish.

But the attempt to accomplish the same thing through the charter or lease of foreign vessels by the shipping board and the registration or enrollment and license, or registration, enrollment, and license, of such chartered or leased foreign vessels as vessels of the United States is something so irreconcilable, in law and in fact, as to stamp it upon its very face as the quintessence of clumsy and immature legislation.

Mr. JONES. Mr. President, I am not going to take the time of the Senate to refer to the provisions of the bill which authorize the shipping board, if it deems it wise, to organize one or more corporations in the District of Columbia for carrying out the purposes of this act. So far as I am concerned, I can see absolutely no use of any such authority as that. It looks to me like a sort of fifth wheel to a wagon; it looks like a proposition to furnish some additional offices of some kind; but I am going to leave the discussion of that matter to others who have given that particular feature of the bill probably much more thought than I have. I repeat, however, that I can see no necessity for it myself from any standpoint whatever.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Iowa?

Mr. JONES. I yield to the Senator.

Mr. CUMMINS. Upon that point I desire to ask the Senator a question, also for information. I assume that the bill was discussed in the committee rather carefully and fully.

Mr. JONES. That is a very violent assumption on the part of the Senator. The bill was not discussed in the committee. The committee had some hearings, and then when the subcommittee reported the bill to the full committee for consideration, the bill came up one day—perhaps I ought not to state these things; perhaps I have no right under the rules to go into that; but I will say the bill was not discussed in the committee to any extent.

Mr. CUMMINS. I am not able to fully understand this sentence:

The total capital stock thereof shall not exceed \$50,000,000.

Does that sentence mean that the total capital stock of all the corporations organized under this section shall not exceed \$50,000,000, or does it mean that the total capital stock of any one corporation organized under the section shall not exceed \$50,000,000?

Mr. JONES. Mr. President, I had not given that point any thought. I have merely assumed all the time that the meaning is that the aggregate of the capital of whatever companies are formed shall not exceed \$50,000,000. I will yield to the Senator from Florida [Mr. FLETCHER], who can probably answer that question definitely.

Mr. FLETCHER. I think that is the clear understanding that the total capital stock is to be limited to \$50,000,000 for any or all corporations formed under this act.

Mr. CUMMINS. That may have been the intent of the members of the committee, but I think it is very imperfectly expressed.

Mr. JONES. I can readily see that when the Senator calls my attention to it. As I have said, I have simply assumed all the time that \$50,000,000 was the aggregate of the capital stock, but I did not notice the language particularly.

Mr. WADSWORTH. Mr. President, will the Senator from Washington yield to me to ask a question?

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Washington yield to the Senator from New York?

Mr. JONES. I yield.

Mr. WADSWORTH. I ask the question merely for information, as my examination of the bill has been somewhat casual. Is there any provision in this bill by which the Government will be called upon to guarantee any dividend or income from the stock of the corporation which it organizes?

Mr. JONES. No; there is not.

Mr. WADSWORTH. Well, does the Senator think that anybody will buy the stock?

Mr. JONES. The Senator is just as able to form an opinion with reference to that as I am. The Government will buy the stock; the Government will have the stock.

Mr. CUMMINS. Will the Senator from Washington allow me to reply to that inquiry?

Mr. JONES. Yes.

Mr. CUMMINS. If anybody thinks he can use the Government through this corporation to advance his interests he will buy the stock; if he does not think so he will not buy the stock.

Mr. JONES. That is the only circumstance or condition under which the stock would be bought.

Mr. President, the bill provides that the Government may operate the ships proposed to be acquired under this bill for five years after the close of the war, but those who hope to have the Government operate these ships, even for a five-year period, will need to study very carefully the amendments which have been put in the bill by the committee, under which the operation of the ships by the Government, in my judgment, is absolutely out of the question. They will not be operated by the Government; they will be leased to private parties, who will operate them, and they will charge whatever rates they see fit to charge and whatever rates the transportation market will command; and the people of the country, who hope to get relief through these ships and their operation, will find themselves very badly disappointed, for the only ones who will secure benefit will be the favored few who are able to get these ships and possibly to lease them at a cheaper rate than they could lease ships from private parties and to charge for their operation the highest possible transportation market price.

Mr. President, I said a moment ago that if the primary purpose of this bill were so expressed as to show that it is the naval auxiliary feature I could support it, so far as that feature of it would go, and I would be perfectly willing to vote for \$50,000,000, if it were necessary, to buy or construct ships pri-

marily to be used as naval auxiliaries, and giving the Secretary of the Navy authority at any time and at all times when they were not needed for naval purposes to use them for commercial purposes. I would not limit it to 5 years; I would not limit it to 10 years; I would not limit the period at all.

I would not have our naval ships tied up at the wharves like our Army transports have been for several years; but if they are not needed by the Government let them be used, if necessary, to carry nitrates from Chile or Peru, or wherever the nitrates come from, and at a lower rate, in order to help out the Government and the farmers of the country, authorizing the board, if they thought wise, even to lease these ships to private parties, subject to be taken back for the use of the Government if required. I would be willing to do that, and I could see some reason in doing that. There would not be any danger in that to private capital and some relief would come to the people. Every ship man that came before the committee said he would have no objection to a proposition of that character. They recognized the wisdom of having the Government use its ships even for commercial purposes when not needed for governmental purposes. They did not see any danger or any deterring influence in a policy of that character; but that is entirely different from what is proposed in this bill.

Mr. President, sections 15 and 17 of the bill prohibit certain things upon the part of common carriers by water. They prohibit entering into combinations, or paying rebates, or using "fighting ships," or retaliating against shippers, or making threats against them, or using unfair or unjustly discriminatory measures, or making or giving any undue or unreasonable preference or advantage to persons or localities, or allowing any person to obtain transportation at less than the regular rates by deceit or false weights, and things like that.

Of course, nobody has any objection to prohibiting all those things, but what is the use of putting them in this bill? They are already covered by another act that we have already passed. There is another board that has authority to inquire into and prohibit and punish, in my judgment, all of the things enumerated in those sections so far as any governmental agency can prohibit them.

I have here the Federal Trade Commission act, the first part of section 5, of which reads as follows:

That unfair methods of competition in commerce are hereby declared unlawful.

The commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks, and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce.

Now, then, what is commerce under the terms of that act?

"Commerce" means commerce among the several States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or between any such Territory and another, or between any such Territory and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.

That seems to me to be as broad as it can be; and these, it seems to me, are clearly unfair methods of competition—every one enumerated here. I think the Federal Trade Commission has full authority, as far as any governmental agency can act, to meet all these situations. There is no provision in this bill that excludes the Federal Trade Commission from going into any acts that are covered by the authority of the proposed shipping board.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Iowa?

Mr. JONES. I do.

Mr. CUMMINS. The Senator from Washington understands that section 15 applies to foreign ships as well as to American ships.

Mr. JONES. Oh, yes.

Mr. CUMMINS. Has the Senator given special attention to the definition of the word "rebate"? If he has, I should be glad to know whether, in his judgment, it narrows or broadens the scope of that word as it is ordinarily understood.

Mr. JONES. I have not examined into that especially.

Mr. CUMMINS. Allow me to call the Senator's attention to it at this point, then, because it is very instructive.

Mr. JONES. Yes; I shall be glad to have the suggestion of the Senator with reference to it.

Mr. CUMMINS. The first paragraph of the section says:

That no common carrier by water shall directly or indirectly * * * pay, or allow, or enter into any combination, agreement, or understanding, express or implied, to pay or allow, a deferred rebate to any shipper. The term "deferred rebate" in this act means a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond—

I am now reading the amendment of the committee—

the completion of the service for which it is paid, and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

I think that is a rather curious provision. In my opinion, it expressly authorizes or legalizes rebates which are just as obnoxious to common sense and good reason as the rebates that are prohibited.

Mr. JONES. There is one thing certain: It restricts the meaning of the words "deferred rebate," and to that extent would merely weaken the Federal Trade Commission.

Mr. CUMMINS. I think it would weaken it, if not destroy it.

Mr. JONES. So it simply emphasizes my contention that it would be better to leave these things to be taken care of as they are now, by a governmental agency that we have already provided after the fullest discussion and most careful consideration, instead of duplicating the jurisdiction, and, by specific definitions like that, limiting the general declaration of the Federal Trade Commission act declaring unlawful all unfair methods of competition.

Mr. FLETCHER. Mr. President, if the Senator will allow me to interrupt him—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Florida?

Mr. JONES. Yes; I yield to the Senator.

Mr. FLETCHER. As to the observation made by the Senator from Iowa, in the hearings before the House committee, at page 14, the Senator will find the statement of Dr. Johnson as to that. He says:

This is equivalent to saying that the proposed legislation proceeds in the right direction. It permits rival steamship lines to form conferences and to enter into agreements for the regulation of services and rates, but subjects the agreements and all the rates fixed by agreements to Government knowledge and regulation. Legislation of this kind is sound in principle and is needed in the public interest.

This is the statement of Dr. Johnson with reference to that provision—that it subjects these agreements to Government knowledge and regulation.

Mr. JONES. I will leave the Senator from Iowa to answer that suggestion, if he so desires.

Mr. CUMMINS. I will do so in my own time.

Mr. JONES. The opinion of Dr. Johnson is very valuable along some lines and worthy to be followed in certain directions; but on matters of legal construction, and things of that sort, I do not think it is an opinion that is entitled to a great deal of weight.

Mr. President, section 16 is, I think, one of the most seriously objectionable sections of the bill. When the people of the country realize what our Democratic friends are trying to do in that section, in my judgment they will condemn this legislation very bitterly. The people of this country are in favor of the antitrust law, known as the Sherman Act, against conspiracies in restraint of trade. It is an act that of recent years has been construed by the Supreme Court of the United States and has been made effective if properly enforced. I do not believe they are in favor of its repeal. Yet this section absolutely repeals the Sherman law as to agreements made by common carriers by water, whether interstate or foreign.

What does it do? It permits combinations and agreements for the fixing of rates, the receiving of special rates and accommodations, regulating competition, pooling or apportioning earnings, losses, or traffic, allotting ports or restricting or otherwise regulating the number and character of sailings between ports, and all that sort of thing. It allows these things to be done with the approval of the shipping board. This bill places it in the absolute power of the shipping board, so far as legislation can place it there, to approve and make lawful every agreement or combination for the pooling of rates or fixing of rates or apportioning ports or dividing business that these carriers may enter into. Do the people of the country want that done? And it expressly says what?

Every agreement, modification, or cancellation lawful under this section—

And it is lawful when it is approved by the shipping board. That is what makes it lawful. If the shipping board approves these agreements, they are lawful.

Every agreement, modification, or cancellation lawful under this section shall be excepted from the provisions of the act approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies."

Then it goes further and says—

and amendments and acts supplementary thereto, and the provisions of sections 73 to 77, both inclusive, of the act approved August 27, 1894, entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," and amendments and acts supplementary thereto.

Now, Mr. President, I am simply going to call attention to what that section permits this board to do and what it does with reference to the Sherman law.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Iowa?

Mr. JONES. In just a moment. This shipping board can approve an agreement made between two companies to-day and disapprove a similar agreement made between two other companies to-morrow—the one would be lawful and the other would be unlawful—with reference to pooling of rates, regulating rates, apportioning business, restricting business, and all that sort of thing.

I now yield to the Senator from Iowa.

Mr. CUMMINS. Not only is the section open to all the objections suggested by the Senator from Washington, but I desire to mention another: The section provides that agreements existing at the time of the organization of the board shall be lawful until disapproved by the board.

Mr. JONES. That is true.

Mr. CUMMINS. It does not even require the action of the board in order to make lawful existing agreements which may be in violation of the antitrust laws.

Mr. JONES. That is true. Mr. President, that provision also nullifies the following provision inserted in the act of August 24, 1912:

No vessel permitted to engage in the coastwise or foreign trade of the United States shall be permitted to enter or pass through said canal if such ship is owned, chartered, operated, or controlled by any person or company which is doing business in violation of the provisions of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or the provisions of sections 73 to 77, both inclusive, of an act approved August 27, 1894, entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," or the provisions of any other act of Congress amending or supplementing the said act of July 2, 1890, commonly known as the Sherman Antitrust Act, and amendments thereto, or said sections of the act of August 27, 1894. The question of fact may be determined by the judgment of any court of the United States of competent jurisdiction in any cause pending before it to which the owners or operators of such ship are parties. Suit may be brought by any shipper or by the Attorney General of the United States.

Congress enacted that provision of law for a purpose. Congress solemnly declared that ships acting contrary to the Sherman law and acts supplemental thereto, operated by persons violating that law, should not pass through the Panama Canal. This section repeals that provision. Did our Democratic friends do it purposely? Did they intend deliberately to nullify the act of 1912 prohibiting ships operated contrary to the Sherman law from going through the Panama Canal? Is there some special interest to be served or benefited by this action? It looks like it. They propose now to let such ships go through the Panama Canal. How? By having their agreements and their contracts in violation of the Sherman law declared lawful by the shipping board.

Mr. President, sections 17 and 18, in my judgment, simply handicap our shipping, simply put them at a disadvantage with the shipping of foreign countries, and will simply retard the development of an American merchant marine rather than encourage it. They ought to be left out of this bill. They ought to be left out at least until we get an American merchant marine to regulate, and then see whether or not we should put restrictions upon it. The regulation of rates in interstate commerce by water by a proper board is not seriously objectionable, although that should be carefully guarded, and should apply to regular lines, unless you want to favor monopoly and drive out the weak operator and the ship that goes from port to port and picks up business wherever it can and at such rates as it can secure.

Mr. President, I have prepared, as expressing my own views as clearly as they have thus far been formulated and determined, subject to change, some provisions which I should like to see adopted as a substitute for this bill. I am not going to offer this matter as an amendment or substitute for the bill, however. Why? Simply because it is a useless thing to do, because our Democratic friends are in the majority. They have decreed by caucus that this bill shall go through. They have decreed by caucus that it shall go through in a certain way, with certain amendments, and that all other amendments will be voted down. So it is useless to offer this as a substitute, and I am not going to do it; but I am going to ask that it be printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Without objection, such will be the order.

The matter referred to is as follows:

Be it enacted, etc., That from and after 30 days from the signing of a treaty of peace closing the war now existing in Europe, the date to be announced by proclamation of the President, all goods, wares, and

merchandise imported in vessels not admitted to registration under the laws of the United States shall be subject to a duty of 5 per cent ad valorem in excess of the duties otherwise imposed, and all goods, wares, and merchandise, excepting tea and coffee, so imported which otherwise are admitted free of duty shall pay a duty of 5 per cent ad valorem: *Provided*, That the foregoing provisions shall not go into effect as to goods, wares, and merchandise imported in the vessels of other nations with which we have treaties which said provisions contravene until said treaties have been duly abrogated; and the President is hereby directed to abrogate any treaties which would interfere with the taking effect of said provisions in the manner provided by said treaties.

SEC. 2. That the Postmaster General is hereby authorized to pay for ocean-mail service under the act of March 3, 1891, in vessels hereafter built and registered in the United States and of a speed equaling or exceeding that of the fastest foreign vessels in the same service, at the date of contract, on routes to Europe, and otherwise complying with the terms of said act, at a rate not exceeding \$10 per mile on the outward voyage by the shortest practicable routes; and in vessels hereafter built and registered in the United States of the second class, described in and otherwise complying with the terms of said act, on routes to South America, to the Philippines, to Japan, to China, and to Australasia at a rate not exceeding \$4 per mile on the outward voyage by the shortest practicable routes, and in vessels of the third class, described in and otherwise complying with the terms of said act, hereafter built and registered in the United States on said routes to South America, to the Philippines, to Japan, to China, and to Australasia at a rate not exceeding \$2 per mile on the outward voyage by the shortest practicable routes: *Provided*, That, subject to the foregoing provisions, every contract shall be awarded to that responsible bidder who will contract, under penalties prescribed by the Postmaster General, for the highest running speed between the points named in the contract.

SEC. 3. That a board is hereby created, to be known as the United States shipping board, and hereinafter referred to as the board. The board shall be composed of five commissioners, to be appointed by the President, by and with the advice and consent of the Senate; said board shall annually elect one of its members as chairman and one as vice chairman.

The commissioners appointed shall continue in office for terms of two, three, four, five, and six years, respectively, from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds.

The commissioners shall be appointed with due regard to their fitness for the efficient discharge of the duties imposed on them by this act, and to a fair representation of the geographical divisions of the country. No commissioner shall be in the employ of or hold any official relation to any common carrier by land or water, or own any stock or bonds thereof, or be pecuniarily interested therein. No commissioner shall engage in any other business, vocation, or employment during his term of service. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the board shall not impair the right of the remaining members of the board to exercise all its powers. The board shall have an official seal, which shall be judicially noticed.

The board may adopt rules and regulations in regard to its procedure and the conduct of its business.

SEC. 4. That each member of the board shall receive a salary of \$7,500 per annum. The board shall appoint a secretary at a salary of \$3,500 per annum, and employ and, until otherwise provided by law, fix the compensation of such attorneys, officers, naval architects, special experts, examiners, clerks, and other employees as it may find necessary for the proper performance of its duties and as may be appropriated for by Congress. The President, upon the request of the board, may authorize the detail of officers of the military or naval forces, or the transfer of employees of other services of the United States for such duties as the board may deem necessary in connection with its business.

With the exception of the secretary, a clerk to each commissioner, the attorneys, naval architects, and such special experts and examiners as the board may from time to time find necessary to employ for the conduct of its work, all employees of the board shall be a part of the classified civil service and be selected and appointed in accordance with the civil-service rules and regulations.

The actual and necessary expenses incurred by the members of the board or by its employees under its orders, in making any investigation, or upon official business in any other place than in the District of Columbia, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the board.

Until otherwise provided by law the board may rent suitable offices for its use in the District of Columbia.

The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the board.

SEC. 5. That the board shall investigate the relative cost of building merchant vessels in the United States and in foreign maritime countries, and the relative cost, advantages, and disadvantages of operating in the foreign trade vessels under United States registry and under foreign registry; it shall investigate the legal status of mortgage loans on vessel property, with a view to means of improving the security of such loans and of encouraging investment in American shipping; it shall examine the navigation laws of the United States and the rules and regulations thereunder and all matters intimately connected with the subject of shipping, foreign and domestic, and make such recommendations to the Congress as it deems proper for the modernization of the laws of the United States, and for the adequate development of the American merchant marine in domestic commerce, and in all lines of foreign commerce in competition with foreign shipping, upon a fair and equitable basis, and discharge such other duties as may from time to time be imposed upon it by law.

It shall, on or before the 1st day of December in each year, make a report to the Congress, which shall include its recommendations and the results of its investigations, a summary of its transactions, and a statement of all expenditures and receipts under this act, and of the operations of any corporation in which the United States is a stockholder, and the names and compensation of all persons employed by the board.

SEC. 6. That when used in this act the term "common carrier by water in foreign commerce" means a common carrier, except ferryboats running on regular routes and except boats running in a ferry service between this country and Canada making not less than six trips a week, and excepting vessels commonly known as "tramp vessels," engaged in the transportation by water of passengers or property between the United States or any of its Districts, Territories, or possessions and a foreign country, whether in the import or export trade.

The term "common carrier by water in interstate commerce" means a common carrier engaged in the Great Lakes and coastwise trade in the transportation by water of passengers or property between one State, Territory, District, or possession of the United States and any other State, Territory, District, or possession of the United States, or between places in the same Territory, District, or possession.

The term "common carrier by water" means a common carrier by water in foreign commerce, or a common carrier by water in interstate commerce, as above defined.

The term "person" includes corporations, partnerships, and associations existing under or authorized by the laws of the United States or any State, Territory, District, or possession thereof, or of any foreign country.

The provisions of this act shall apply to receivers and trustees of all persons to whom the act applies and to the successors or assignees of such persons.

SEC. 7. That when the United States is at war, or during any national emergency the existence of which is declared by proclamation of the President, no vessel registered or enrolled and licensed under the laws of the United States shall, without the approval of the board, be sold, leased, or chartered to any person not a citizen of the United States or transferred to a foreign registry or flag.

Any vessel sold, chartered, leased, transferred or operated in violation of this section shall be forfeited to the United States, and whoever violates any provision of this section shall be guilty of a misdemeanor and subject to a fine of not more than \$5,000 or to imprisonment of not more than five years or both such fine and imprisonment.

SEC. 8. That the President, upon giving to the person interested such reasonable notice in writing as in his judgment the circumstances permit, may take possession, absolutely or temporarily, for any naval or military purpose, of any vessel receiving ocean mail pay under this act: *Provided*, That if, in the judgment of the President, an emergency exists requiring such action he may take possession of any such vessel without notice.

Thereafter, upon ascertainment by agreement or otherwise, the United States shall pay the person interested the fair actual value at the time of taking of the interest of such person in every vessel taken absolutely, or if taken for a limited period, the fair charter value for such period. In case of disagreement as to the fair value it shall be determined by appraisers, one to be appointed by the board, one by the person interested, and a third by the two so appointed. The finding of a majority of such appraisers shall be final and binding upon both parties.

SEC. 9. That any vessel receiving ocean mail pay under this act may be listed by the Secretary of the Navy as a vessel of the United States Naval Auxiliary Reserve. The officers and members of the crew of any such listed vessel who volunteer for the purpose and are citizens of the United States or its insular possessions may, under regulations prescribed by the Secretary of the Navy, be enrolled in various ranks and ratings corresponding to those of the United States Navy, not above the rank of Lieutenant commander, as members of any naval reserve force established by law.

SEC. 10. That no common carrier by water in interstate commerce shall, directly or indirectly—

First, Pay, or allow, or enter into any combination, agreement, or understanding, express or implied, to pay or allow a deferred rebate to any shipper. The term "deferred rebate" in this act means a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purpose, the payment of which is deferred beyond the period for which computed and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement.

Second, Use a fighting ship, either separately or in conjunction with any other carrier, through agreement or otherwise. The term "fighting ship" in this act means a vessel used in a particular trade by a carrier or group of carriers for the purpose of excluding, preventing, or reducing competition by driving another carrier out of said trade.

Third, Retaliate against any shipper by refusing, or threatening to refuse, space accommodations when such are available, or resort to other discriminating or unfair methods, because any shipper has patronized any other carrier or has filed a complaint charging unfair treatment, or for any other reason.

Fourth, Make an unfair or unjustly discriminatory contract with any shipper based on the volume of freight offered or unfairly treat or unjustly discriminate against any shipper in the matter of (a) cargo space accommodations or other facilities, due regard being had for the proper loading of the vessel and the available tonnage; (b) the loading and landing of freight in proper condition; or (c) the adjustment and settlement of claims.

Any carrier who willfully violates any provision of this section shall be guilty of a misdemeanor, punishable by a fine of not more than \$5,000 for each offense.

SEC. 11. That it shall be unlawful for any common carrier by water in interstate commerce, either alone or in conjunction with any other person, directly or indirectly:

First, To make or give any undue or unreasonable preference or advantage to any particular person, or description of traffic in any respect whatsoever, or to subject any particular person or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Second, To allow any person to obtain transportation for property at less than the regular rates then established and enforced on the line of such carrier, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means.

Third, To induce, persuade, or otherwise influence any marine insurance company or underwriter, or agent thereof, not to give a competing carrier by water as favorable a rate of insurance on vessel or cargo, having due regard to the class of vessel or cargo, as is granted to such carrier or other person subject to this act.

SEC. 12. That every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto, and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property.

Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the maximum rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the maximum rates, fares, and charges for or in connection with transportation between points on its own route and the points on the route of any other carrier by water.

No such carrier shall demand, charge, or collect a greater compensation for such transportation than the rates, fares, and charges filed in compliance with its section, except with the approval of the board and after 10 days' public notice in the form and manner prescribed by the board, stating the increase proposed to be made, but the board for good cause shown may waive such notice.

Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice, demanded, charged, collected, or observed by such carrier is unjust or unreasonable it may determine, prescribe, and order enforced a just and reasonable maximum rate, fare, or charge, or a just and reasonable classification, tariff, regulation, or practice.

SEC. 13. That whenever a common carrier by water in interstate commerce reduces its rates on the carriage of any species of freight to or from competitive points below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water it shall not increase such rates unless after hearing the board finds that such proposed increase rests upon changed conditions other than elimination of said competition.

SEC. 14. That no common carrier by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly prejudicial to exporters of the United States as compared with their foreign competitors. Whenever the board finds that any such rate, fare, or charge is demanded, charged, or collected it may alter the same to the extent necessary to correct such unjust prejudice and make an order that the carrier shall discontinue demanding, charging, or collecting any such unjustly prejudicial rate, fare, or charge.

SEC. 15. That every common carrier by water shall establish, observe, and enforce just and reasonable regulations and practices relating to or connected with the receiving, handling, storing, or delivering of property. Whenever the board finds that any such regulation or practice is unjust or unreasonable it may determine, prescribe, and order enforced a just and reasonable regulation or practice.

SEC. 16. That it shall be unlawful for any common carrier by water, or any officer, receiver, trustee, lessee, agent, or employee of such carrier or person, or for any other person authorized by such carrier or person to receive information, knowingly to disclose to or permit to be acquired by any person other than the shipper or consignee, without the consent of such shipper or consignee, any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to such common carrier or other person subject to this act for transportation in interstate or foreign commerce, which information may be used to the detriment or prejudice of such shipper or consignee, or which may improperly disclose his business transactions to a competitor, or which may be used to the detriment or prejudice of any carrier; and it shall also be unlawful for any person to solicit or knowingly receive any such information which may be so used.

Nothing in this act shall be construed to prevent the giving of such information in response to any legal process issued under the authority of any court of a State or of the United States, or to any officer or agent of the Government of the United States, or of any State, Territory, District, or possession thereof, in the exercise of his powers, or to any officer or other duly authorized person seeking such information for the prosecution of persons charged with or suspected of crime, or to another carrier, or its duly authorized agent, for the purpose of adjusting mutual traffic accounts in the ordinary course of business of such carriers.

SEC. 17. That the board may require any common carrier by water, or any officer, receiver, trustee, lessee, agent, or employee thereof, to file with it any periodical or special report, or any account, record, rate, or charge, or any memorandum of any facts and transactions appertaining to the business of such carrier or other person subject to this act. Such report, account, record, rate, charge, or memorandum shall be under oath whenever the board so requires, and shall be furnished in the form and within the time prescribed by the board. Whoever fails to file any report, account, record, rate, charge, or memorandum as required by this section shall forfeit to the United States the sum of \$100 for each day of such default.

Whoever willfully falsifies, destroys, mutilates, or alters any such report, account, record, charge, or memorandum, or willfully files a false report, account, record, rate, charge, or memorandum, shall be guilty of a misdemeanor, and subject upon conviction to a fine of not more than \$1,000 or imprisonment for not more than one year, or to both such fine and imprisonment.

SEC. 18. That any person may file with the board a sworn complaint setting forth any violation of this act by a common carrier by water, and asking reparation for the injury, if any, caused thereby. The board shall furnish a copy of the complaint to such carrier or other person, who shall, within a reasonable time specified by the board, satisfy the complaint or answer it in writing. If the complaint is not satisfied, the board shall, except as otherwise provided in this act, investigate it in such manner and by such means, and make such order as it deems proper. The board, if the complaint is filed within two years after the cause of action accrued, may direct the payment, on or before the day named, of full reparation to the complainant for the injury caused by such violation.

The board, upon its own motion, may in like manner, and, except as to orders for the payment of money, with the same powers, investigate any violation of this act.

SEC. 19. That orders of the board relating to any violation of this act shall be made only after full hearing, and upon a sworn complaint or in proceedings instituted of its own motion.

All orders of the board other than for the payment of money made under this act shall continue in force for such time, not exceeding two years, as shall be prescribed therein by the board, unless suspended, modified, or set aside by the board or any court of competent jurisdiction.

SEC. 20. That the board shall enter of record a written report of every investigation made under this act in which a hearing has been held, stating its conclusions, decision, and order, and if reparation is awarded, the findings of fact on which the award is made, and shall furnish a copy of such report to all parties to the investigation.

The board may publish such reports in the form best adapted for public information and use, and such authorized publications shall, without further proof or authentication, be competent evidence of such reports in all courts of the United States and of the States, Territories, Districts, and possessions thereof.

SEC. 21. That the board may reverse, suspend, or modify, upon such notice and in such manner as it deems proper, any order made by it. Upon application of any party to a decision or order it may grant a rehearing of the same or any matter determined therein, but no such application for or allowance of a rehearing shall, except by special order of the board, operate as a stay of such order.

SEC. 22. That for the purpose of investigating alleged violations of this act the board may, by subpoena, compel the attendance of witnesses and the production of books, papers, documents, and other evidence from any place in the United States at any designated place of hearing. Subpoenas may be signed by any commissioner, and oaths or affirmations may be administered, witnesses examined, and evidence received by any commissioner or examiner, or, under the direction of the board by any person authorized under the laws of the United States or of any State, Territory, District, or possession thereof to administer oaths. Persons so acting under the direction of the board and witness shall, unless employees of the board, be entitled to the same fee and mileage as in the courts of the United States. Obedience to any such subpoena shall, on application by the board, be enforced as are orders of the board other than for the payment of money.

SEC. 23. That no person shall be excused, on the ground that it may incriminate him or subject him to a penalty of forfeiture, from attending and testifying, or producing books, papers, documents, and other evidence, in obedience to the subpoena of the board or of any court in any proceeding based upon or growing out of any alleged violation of this act; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing as to which, in obedience to a subpoena and under oath, he may so testify or produce evidence, except that no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 24. That in case of violation of any order of the board, other than an order for the payment of money, the board, or any party injured by such violation, or the Attorney General, may apply to a district court having jurisdiction of the parties; and if, after hearing, the court determines that the order was regularly made and duly issued, it shall enforce obedience thereto by a writ of injunction or other proper process, mandatory or otherwise.

SEC. 25. That in case of violation of any order of the board for the payment of money, the person to whom such award was made may file in the district court for the district in which such person resides, or in which is located any office of the carrier or other person to whom the order was directed, or in which is located any point of call on a regular route operated by the carrier, or in any court of general jurisdiction of a State, Territory, District, or possession of the United States having jurisdiction of the parties, a petition or suit setting forth briefly the causes for which he claims damages and the order of the board in the premises.

In the district court the findings and order of the board shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs, nor shall he be liable for cost at any subsequent stage of the proceedings, unless they accrue upon his appeal. If a petitioner in a district court finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as part of the costs of the suit.

All parties in whose favor the board has made an award of reparation by a single order may be joined as plaintiffs, and all other parties to such order may be joined as defendants. In a single suit in any district in which any one such plaintiff could maintain a suit against any one such defendant. Service of process against any such defendant not found in that district may be made in any district in which is located any office of or point of call on a regular route operated by such defendant. Judgment may be entered in favor of any plaintiff against the defendant liable to that plaintiff.

No petition or suit for the enforcement of an order for the payment of money shall be maintained in a district or State court unless filed within one year from the date of the order.

SEC. 26. That the venue and procedure in the courts of the United States in suits brought to enforce, suspend, or set aside, in whole or in part, any order of the board shall, except as herein otherwise provided, be the same as in similar suits in regard to orders of the Interstate Commerce Commission, but such suits may also be maintained in any district court having jurisdiction of the parties.

SEC. 27. That the board may investigate the practices of any foreign carrier entering our ports, and if, in its judgment, such foreign carrier is using unfair and unjust methods and practices in competition with our carriers or shippers, or exporters, it may call upon such carrier to desist from using such methods and practices, and if it fails or refuses to do so, the board may issue an order prohibiting such carrier from entering our ports, and so long as such order continues in effect no such carrier shall be permitted to enter at any of the ports of the United States.

SEC. 28. That whoever willfully violates any provision of this act, except where a different penalty is provided, shall be guilty of a misdemeanor, punishable by a fine of not to exceed \$5,000.

SEC. 29. That this act shall not be construed to affect the power or jurisdiction of the Interstate Commerce Commission nor to confer upon the board concurrent power or jurisdiction over any matter within the power or jurisdiction of such commission; nor shall this act be construed to apply to intrastate commerce. That in so far as any of the provisions of this act may be inconsistent with the Federal Trade Commission act, they shall supersede the same.

SEC. 30. That if any provision of this act, or the application of such provision to certain circumstances, is held unconstitutional, the remainder of the act, and the application of such provision to circumstances other than those as to which it is held unconstitutional, shall not be affected thereby.

SEC. 31. That for the fiscal year ending June 30, 1917, the sum of \$100,000 is hereby appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the board, including the payment of salaries herein authorized.

Mr. JONES. I will briefly state now what the substitute provides.

The first section provides for a system of discriminating duties, to take effect 30 days from the signing of the treaty of peace. We do not need any special encouragement now. What our shipping people and our shipping interests and our capital would like to have would be a formulated policy that they could act under when conditions become normal; and so I provide that this shall take effect and be in operation 30 days after the signing of the treaty of peace, and direct the President to abrogate all our treaties that would be contravened by those provisions.

Mr. President, that is a policy that has met heretofore with Republican approval. It is a policy that has met heretofore with Democratic approval. It could be enacted as an absolutely nonpartisan measure; as, in my judgment, a wise, patriotic, American measure for the building up of the American merchant marine.

The second section provides for an increase in the ocean mail pay provided under the act of 1891 and provides that it shall be paid only to ships hereafter built and plying between certain ports. Under that provision there would not be a dollar taken out of the Treasury of the United States unless an additional ship was added to the American merchant marine of a certain class and of a certain speed and of a certain character described in this provision and plying between American ports and certain other ports.

In other words, we would not pay out a dollar unless we got the ships and unless they did the business. And what is the money that we pay out? You may call it a subvention if you want to, but it is payment for service rendered the Government in the carrying of our mails to foreign countries and in the construction of these ships in a certain way to meet certain requirements and certain emergencies, if they come up, under provisions that make them available in case of war for use by the Navy and the Government of the United States. In other words, that section, if any money were paid out, would insure the construction of fast ships running between certain ports and available for naval auxiliaries.

Then I provide for a shipping board to investigate the conditions of shipping at home and abroad, to investigate all the phases and all the disadvantages under which our people act, and submit recommendations to Congress from time to time; and I give them certain regulatory powers over interstate shipments, but practically none over foreign shipments, leaving it to the board to suggest to Congress, after due investigation and due consideration, what change in the law we should make along those lines. I do not give them power to nullify the Sherman law. I leave them several of the regulatory features of the present bill, to be controlled by the Federal Trade Commission as they have authority to do now under the law.

Mr. President, this bill has been placed in no party platform. The people have never asked for it. They have never approved it. It is a farce, a sham, a delusion, a wasteful makeshift, and a fraud upon the people. It will furnish \$10,000 jobs to a few party favorites with many less expensive minor positions. It will take \$50,000,000 out of the public treasury to pay these high salaries and buy or build a few very costly ships to be turned over to private parties and used by them at as high freight charges as they can extort from the producers and shippers of the country. It will furnish no additional ships to meet the present emergency or reduce the high freight charges. It will destroy the development of a merchant marine by private capital and provide little relief in itself. It will further handicap our own shipping and encourage that of our rivals. It attempts to regulate rates to be charged in the foreign trade, which has never been done and is not now being done by any other nation on earth. It will destroy the merchant marine we now have and place us absolutely at the mercy of our commercial rivals for transportation facilities. It will stifle industry, prevent investment, suppress energy, aid the strong, destroy the weak, prevent competition, encourage monopoly, and eventually destroy the development that has come from the present conditions and make us more subservient and dependent upon foreign shipping than ever before.

For these and other reasons I can not vote for this measure.

Mr. President, I have here one or two things I want to put in the Record, and then I am through. The Senator from Minnesota called my attention this morning to an article in the Nautical Gazette which I ask may be printed in the Record, so far as the part that I have indicated in ink is concerned.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The matter referred to is as follows:

[From the Nautical Gazette of Thursday, Aug. 10, 1916.]

Absolutely no power is given to deal with vessels' equipment or control in operation or otherwise. Neither is the power of the board to

be in conflict with the power of the Interstate Commerce Commission. These powers, however, should be such that the shipping board should rule in all nautical matters and both commissions work in unity.

As stated, the whole enactment is partisan, a mistake beyond recall, and the amendments are similar. Shipping interests are neutral but expect fair treatment and would appreciate such.

With the administration intent on shipping problems, it is perhaps fitting to ask, Why has it drawn up a bill without any consideration of bulldozing to operator, operator to underwriter, underwriter and operator to shipper, and to the end that all matters nautical be entirely placed in the hands of a competent board of nonpartisan membership.

Better have it forget the \$50,000,000 corporation altogether and cooperate with the shipping interests, who are making strenuous efforts to put the United States merchant marine on the seas and are preparing to cope with the inevitable competition practically in sight.

Let it not lose sight of the fact that all the world is building ships to-day. The emergency of moving cargoes has been overcome without any Government aid by private enterprise, who reasonably may ask, Is the country ready for the reaction which inevitably is coming? Has our gold surplus so much thought of been accumulated merely as a beacon light?

It would be fitting indeed for the administration to think it over and arrange whereby shipping interests may be able in foreign competition to obtain credit against such reserves on foreign shores in the obtaining of trade in general competition and presenting the American flag on all the seven seas.

Mr. JONES. Then, I have here a letter from Mr. N. J. Blagen, a large lumber-shipping man of my State, in which he discusses this bill at considerable length, especially from the standpoint of a local interstate coastwise shipper. He discusses it from the standpoint of a man who is thoroughly familiar with the conditions under which small ships are operated, going from port to port; and I want to put that in the Record.

The PRESIDING OFFICER. Without objection, that course will be pursued.

The letter is as follows:

GRAY'S HARBOR LUMBER CO.,
Hoquiam, Wash., July 26, 1916.

Hon. WESLEY L. JONES,
United States Senator, Washington, D. C.

MY DEAR MR. JONES: Replying to yours of the 20th instant (reference H. R. 15455).

First of all allow me to say that I think this entire act should be defeated, as the establishment of a merchant marine on the basis herein outlined will be a colossal failure. It is not only the wasting of fifty or one hundred million dollars, but the injury that it will inflict upon the country in a general way will be far greater. One of the first things that will happen in connection with it will be that the labor unions will try to control the operation of this fleet to such an extent that it can not be anything but a failure, and through the operation of this will force the same influence upon other industries of the country, which will have a tendency to destroy business and industries, and eventually ruin the laboring man.

The regulation prescribed in this act for foreign commerce is intended to injure and destroy as far as possible such commerce. The least we should do for our citizens is to give them a free hand in competing with the rest of the world in this field of operation. If that was done and all of our antiquated and freak laws in reference to shipping and water-borne commerce repealed we would soon control the shipping traffic of the world. In my judgment we have come to a time when shipping will be very materially changed. That is to say, commerce will be carried in larger ships, so constructed that they can be operated for less money and carry a much larger cargo, and in that way reduce the cost. This can be accomplished very much better by and through the American citizens than anyone else, because we are willing to learn from the rest of the world and add thereto such new ideas as the past and present teaches us. We are about the only nation that is willing at all times to adopt new and improved methods quickly, providing it promises to be profitable.

In this respect I believe we are passing through the most critical history of our Nation in reference to water-borne and foreign transportation. We must remember that we are in competition with countries that have the very best seamen and sailors at less than half what we have to pay ours, and it should be apparent to all that it takes some wise guiding hand to build ships and operate against such competition. Yet I am satisfied that it can be done by our American spirit of progress and ingenuity, but not with the handicap that the Government has or proposes to place on our citizens.

Section 19 of this act reads in part as follows:

"That every common carrier by water in interstate commerce shall establish, observe, and enforce just and reasonable rates, fares, charges, classifications, and tariffs, and just and reasonable regulations and practices relating thereto and to the issuance, form, and substance of tickets, receipts, and bills of lading, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with the receiving, handling, transporting, storing, or delivering of property."

Apply this to the carrying of lumber from Oregon and Washington to California, in which service there are usually about 100 steam schooners operating under normal conditions. There are scarcely any two of them that will receive the same rate, and it is not often that they receive the same rate for two trips in succession, but change from trip to trip. Again, there is some lumber that is shipped in large bulk from one mill loading the boat in one day and unloading at the other end in one place in from one to two days. The same material is frequently shipped from a number of other mills in small quantities, so that a boat has to take three or four days more to get her cargo, sometimes taking as long as four or five days, and frequently has to deliver it at two or more places. Now, say such a boat is worth from \$200 to \$400 a day, according to the rate prevailing. It is very evident that the one cargo can be carried for much less than the other, and yet under this bill, as I understand it, it would have to be carried at the same rate. We have a large volume of lumber business moving in a much more exaggerated way than shown above. I have known a steamer coming in here putting on as many as 16 different parcels from a large number of mills, to be delivered to as many as 10 different

places. How could any general tariff or freight rate apply to such a business as against a mill that gives a boat a full load to a single point of delivery? In the one case each parcel has to be marked and kept separate; the boat is responsible if any of it is missing, mislaid, or delivered to the wrong party; so that you can readily see that one is worth a great deal more than the other. Yet it is the same kind of lumber, from the same point of origin, and to the same point of destination.

Another thing, the lumber market has always been subject to constant change either up or down, and so has the freight rate, largely in sympathy with the lumber market, but more often because of either plenty of tonnage or scarcity of it, which has been fully demonstrated during the last few years. Take, for instance, a year or two before the war, the first year of the war, and, in fact, up into last year freight was very low because tonnage was very plentiful. Since that time all of the large boats have gone offshore or onto the Atlantic coast, so that only the smaller boats have been left on this coast, thereby creating a scarcity which has had the effect of very much higher rates. To give you a concrete illustration of how this works: Our company is part owner in two coastwise steamers carrying about 800,000 feet of lumber each. The rates were so low that these two steamers could not make expenses, and consequently were laid up for over two years. Meanwhile we employed larger steamers that carried twice that much to carry our lumber, which they could do at a small profit. In other words, legitimate competition came into play just the same as legitimate competition has come into play in lumber business during the last few years, when we have been forced to introduce and adopt such methods by which we have been able to materially reduce the cost of production, and those mills that have not been able to introduce such methods have been forced out of business, all of which is perfectly legitimate and according to natural laws.

Again, these steamers pick up such freight from time to time on their return trip as they can get, and unless they make a low rate they will not get any of this freight, because it will be shipped on regular lines. These rates on lumber are often arranged by telegraph or telephone in a few minutes, and are increased or decreased in accordance with the market, available tonnage, quick dispatch, good service at both ends of the line, and many other circumstances that go to make up competition and efficiency, thereby rendering as good service as possible for the least amount of money. Supposing these steam schooners (as I take it they would all be common carriers where they carried lumber generally for different mills and lumber yards) would have to file a regular tariff with all the regulations that go with it, how could they compete with one another? It may be stated that no competition is wanted. Then why not carry this on to the mill that produces the lumber and cut out the competition, and so on all along the line, which would mean that we would all become machines for the Government to support? It must be evident that if this whole thing were carried to its final analysis the Government would have to support us all, and, of course, we would all then do as little as we had to if all competition, which is supposed to be the life of trade, was done away with. This is saying nothing of the enormous annoyance that these steamers would be subjected to by the constant interference on the part of the Government officials. You will naturally say that a lumber mill like ours is not under the regulation or supervision of the Government, but if you knew the annoyance and interference we have with the Government officials in an institution like ours you would be surprised. Take in consideration the income tax. While we make an absolute complete report, absolutely true in every detail, file same with the proper officials in proper time, yet we are annoyed by these officials off and on from time to time going through our books and annoying our whole office force from morning until night, to say nothing about all the other annoyances that come up from week to week from them wanting information of various kinds. It is very easy for me to understand what annoyance a steam schooner would be put to under this regulation.

Then, again, such a little thing as a ferryboat running across the Columbia River, of which there are a good many. Just think of the annoyance and inconvenience they would be put to as they have no office force or regular organization for handling all this detail work in connection with the filing of tariffs, making reports, etc. In other words, they would practically be forced out of business, and those that continued would have such an added expense and monopoly on the business that the rates would naturally be very materially increased, and with perfect monopoly the service would suffer. Taking it altogether, the idea of the Government running individual business is the greatest mistake that can possibly be thought of. If the Government wants to go into transportation by water, the manufacture of lumber, the operation of railroads, the handling and selling of merchandise, the operation of factories of every kind, as well as the handling of every business enterprise in the country, I suppose they can do so, but I think that most of us would agree that it would be a mistake and a failure. If they can not handle all of it, much less can they successfully operate part of it.

The regulation of railroads thus far in the United States has certainly been a colossal failure, and my judgment is that it always will be. I think it safe to say that the construction and operation of railroads in the United States had attained the highest degree of efficiency of any country in the world under the private ownership and free open competition and operation. No doubt some serious wrongs were committed in the development of such an enormous amount of railroad construction in so short a time, but the principal object was achieved, namely, the construction of first-class railroad systems under efficient management and operation, and last but not least cheap transportation. I think during all of these years of free and open railroad competition there was a constant downward tendency in rates, but what about it now since the Government undertook to regulate them? Is it not a decided cry for increase? Just about the same time the railroads were relieved of free transportation and rebates. This in itself must have added enormously to their net income and should have been the means of big reductions in rates.

My company is one of the largest shippers on the Pacific coast, shipping between four and five thousand carloads of lumber annually, and I will say without any fear of successful contradiction that if the railroads had been left absolutely free to make rates as they saw fit we would have a lower rate on lumber to the East to-day than we have.

After the construction of the Great Northern Railroad, Mr. J. J. Hill issued a rate of 40 cents per hundred pounds on lumber from here to Minnesota Transfer, and stated that if the time ever came when he could get all he wanted to carry at that rate the construction of the Great Northern would be an assured success. The time came when they could get more than they could carry, and with it came the Interstate Commerce Commission to regulate tariff. Mr. Hill, together with

others, applied for an increase of 20 per cent and they allowed him 10 per cent, whereas if there had been no regulation we feel positive that a reduction of at least 10 per cent would have been made in rates.

When the Chicago, Milwaukee & St. Paul Railway arrived on this coast their traffic manager told us repeatedly that they were determined to make a reduction in rates on lumber going East, but, after a long struggle, were prevented from doing so by the competing lines. Before the regulation of railroads, when a new road was built into a given territory there was nearly always a reduction in freight rates, but since the regulation was inaugurated there has been a constant cry for increase, and why? Partly because of the enormous increase in operation, caused by the interference of our Government, and also the fact that all the roads are now in one enormous combination, practically indorsed by the Government. In this way competition has been done away with and there is no need for them to ever think of such a thing as making a reduction in rates or to increase their efficiency. They are simply saying to the Government, "You have told us how to run our railroads, and now you can pay for it."

Now, it might look very well to the average man to feel that the Government controls the railroads and that they can regulate them, but what good is that when we have to pay more for our transportation? You will hear railroad officials claim that, because of increase in wages, etc., it costs more to transport freight than it used to. This I do not think can be borne out by the facts. Twenty-five years ago a locomotive with an ordinary crew would take from 25 to 30 cars to a train, carrying, perhaps, 20,000 pounds to the car. To-day the same crew with perhaps two or three additional men will take from 40 to 50 cars, carrying from 40,000 to 60,000 pounds to the car. In other words, one crew will take from two to three times as much as a crew did 20 or 25 years ago. Is it not evident that they can transport freight for a great deal less money? Right here allow me to say it is a well-known fact that the interest on capital invested in any railroad is a very great factor in the cost of operation. Now, consider the increased volume of trade and tonnage as compared with what it was 25 or 30 years ago. This should have the same tendency to materially decrease cost of transportation.

For your information I may say that 20 years ago we loaded from twenty to thirty thousand pounds of lumber in a car and to-day we can easily average 70,000 pounds to a car. Therefore instead of costing the railroads more for their traffic it costs considerably less. I am paying twice as much for labor and material to-day than I did 25 years ago, and yet I am producing lumber for about one-third of what I did at that time. It is all done by improved methods and efficiency. The very same thing holds good in the operation of a railroad. The trouble is that the railroads now have been told by the Government to do as they are told, and in turn they say to the Government, "You can pay for it." There is no more competition and no special reason why they should exert themselves to acquire additional traffic or income and see that their properties are made profitable, but simply say to the Government, "We are entitled to so much interest on our investment, and in order to get it we must have increased rates." The same identical thing will hold true in our shipping industry.

If regulated as proposed in this act it will mean a very material increase in cost, and all of this increase in various lines of industry might be all right if it applied to every business and every individual in the United States, so that we could all get a share of it. It would then, of course, amount to nothing, because we would all have to contribute to it, but the serious trouble is when only a few, such as railroads, shipowners, and a few others are forced to levy higher rates on the public which the great masses have to bear and be burdened with without getting any value received in return. All of this class of legislation has but one tendency—to disturb and destroy business activity and put unearned profits into the pockets of a few at the expense of the masses.

Altogether I am opposed to the entire bill. From start to finish it is a piece of legislation that stands for destruction instead of construction, but I am especially opposed to the last part of the bill where it refers to the interstate commerce, as it can not possibly accomplish any good, but is sure to do a great deal of harm.

Yours, very truly,

N. J. BLAGEN.

Mr. JONES. I have here, Mr. President, two telegrams—one signed by several transportation lines of the Pacific and one signed by the Seattle Chamber of Commerce—that I also ask to have inserted in the RECORD.

The PRESIDING OFFICER. There being no objection, the telegrams will be printed in the RECORD.

The telegrams are as follows:

SEATTLE, WASH., August 4, 1916.

WESLEY L. JONES,
United States Senate, Washington, D. C.:

Referring section 9, House bill 15455, as reported by Senate committee, permitting foreign vessels engaged United States coastwise trade. While during present emergency conditions we favor permitting these vessels enter intercoastal trade, in our opinion such conditions do not apply to direct coastwise trade, as there are sufficient American-built steamers to efficiently and promptly handle all traffic offering in that trade. In view of this and of large number new vessels under construction American yards, many of which will undoubtedly enter coastwise trade, convinced the grave mistake as we, as great injustice to lines now regularly engaged therein, permit foreign-built vessels enter that trade. Such change in protective policy under which coastwise merchant marine has been developed to present proportions would, instead of assisting further development, seriously cripple or perhaps destroy it. Earnestly urge exert best efforts have section amended to exclude such vessels from direct coastwise trade.

SEATTLE CHAMBER OF COMMERCE.

SEATTLE, WASH., July 29, 1916.

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.:

We, the undersigned steamship companies operating American-built vessels in the coastwise trade on the Pacific coast, respectfully, but most earnestly, protest against section 9 of House bill No. 15455 as reported by the committee to the Senate, permitting foreign-built vessels to engage in the United States coastwise trade. The regular coastwise lines have built up their trade at great expense and are giving a high-class service on regular schedule at low rates, not only with suitable cargo steamers but also with combination passenger and freight steamers, thereby furnishing a facility greatly needed by

the traveling public. It would work a great hardship and a grave injustice upon these lines and tend to destroy their passenger and freight service to subject them to the competition of these cheaper built and cheaper operated foreign freighters, for the present increased selling prices and building costs of foreign vessels are undoubtedly merely a passing phase of the extraordinary conditions temporarily existing because of the war. Such vessels, when in the foreign trade, and presumably the same privilege would be granted them when engaged in both the foreign and coastwise trade, could employ under the Executive order of September 4, 1914, foreign-licensed officers, and would not be subject to either United States inspection or measurement when trading foreign at rates relatively much higher than the coastwise rates, and calling at two or more American ports these steamers could afford, whenever having unutilized space, to carry freight between such American ports at abnormally low rates, with which the American coastwise steamers, depending exclusively on coastwise business, could not compete. There is now ample American-built tonnage to promptly and satisfactorily handle all traffic now offered, or likely to offer, in the direct coastwise trade; also in the intercoastal trade as soon as the off-shore rates become normal. Moreover, the recent testimony of the Commissioner of Navigation before the committee shows that to-day there are building in American yards 372 steamers, aggregating 1,147,534 gross tons, equivalent to over 18 per cent of all the present tonnage in the coastwise trade, and there can be no doubt that a large percentage of this new tonnage and of the heavy additional tonnage that will undoubtedly be constructed will eventually find its way into the coastwise and intercoastal trade. What element, therefore, of necessity, of justice, or of prudence is there in permitting these foreign-built vessels or other vessels acquired under this act to invade the coastwise trade that now almost everywhere has to meet the competition of railroads and the constantly increasing expenses of operation with practically no opportunity, because of competition already existing, for any corresponding permanent increase in rates.

May we not ask you to lend your best efforts to have section 9 so amended as to exclude not only foreign-built vessels but all vessels acquired under this act from the coastwise trade, thereby maintaining our traditional governmental policy under which our coastal fleet has grown to be the largest in the world.

HUMBOLDT STEAMSHIP CO.
ALASKA STEAMSHIP CO.
PACIFIC COAST STEAMSHIP CO.
BORDER LINE TRANSPORTATION CO.
PACIFIC-ALASKA NAVIGATION CO.

Mr. JONES. An extract on page 31 from the report of the House committee quoting from the report of the joint committee that made a report some time ago on conditions in the merchant marine I ask may be printed as a part of my remarks. I call attention to the fact that in this report they state that many if not most of the evils in the interstate shipping trade have already been met by legislation that we have passed and referring to the act there.

The PRESIDING OFFICER. Without objection, the matter will be printed.

The matter referred to is as follows:

The act of August 24, 1912, providing for the opening, maintenance, protection, and operation of the Panama Canal, contains provisions extending the jurisdiction of the Interstate Commerce Commission over interstate transportation which involves the carriage of property by rail and water, in the following particulars, viz: (1) to establish physical connection, where this is reasonably practicable and justifiable, between the rail carrier and the dock of the water carrier by directing either or both of the carriers to construct the connecting tracks; (2) "to establish through routes and maximum joint rates over such rail and water lines, and to determine all the terms and conditions under which such lines shall be operated in the handling of the traffic embraced"; and (3) "to establish maximum proportional rates by rail to and from the ports to which the traffic is brought, or from which it is taken by the water carrier, and to determine to what traffic and in connection with what vessels and upon what terms and conditions such rates will apply." Section 11 of the act also provides for the divorcing of common carriers by water from the railroads under certain conditions. These legislative requirements go far toward eliminating some of the undesirable practices which were found by the committee to exist in the domestic commerce of the United States.

Mr. JONES. I have here an article entitled "The projected surrender of our coastwise shipping." I desire to have that printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. The Chair hears no objection.

The matter referred to is as follows:

THE PROJECTED SURRENDER OF OUR COASTWISE SHIPPING—IN CONTRAST TO THE PRESENT DESTRUCTIVE POLICY, REPUBLICAN LEGISLATION WOULD ENCOURAGE SHIPBUILDING AND INCREASE REVENUE.
TO THE EDITOR OF THE SUN.

Sir: The ostensible purpose of the administration shipping bill is to help restore American shipping to foreign carrying; its real purpose is to deliver over to foreign shipowners and foreign shipbuilders the control of our coastwise carrying, the cream of our domestic maritime business. Everybody knows, and no one better than the administration, that to appropriate \$50,000,000 with which to do a work that would require from \$750,000,000 to \$1,000,000,000 is to attempt the impossible; and yet it is doubtful if the last-named sum would suffice to replace with American ships the foreign ships now engaged in our foreign carrying.

For more than half a century possession of our coastwise carrying has been the objective of our maritime rivals. They have the active and zealous—I might say the fanatical—aid of American free traders. With the administration dominated by free traders, with Congress in the possession of free traders, what more natural than that this time of all times should be selected for the delivery of our coastwise carrying to foreign maritime interests? With such a purpose in the minds of our foreign maritime rivals ever since 1854, and with the opportunity now presented of putting it into effect, why should they not seize and make the most of it?

Ever since the Spanish-American War there has been a redoubling of free-trade activity in the line of turning American coastwise carrying over to aliens. With the extension of our coastwise navigation laws successively to Alaska, Hawaii, and Porto Rico, and the opening of the Panama Canal, ever-increasing fleets of ocean-going American-built steamships have been necessary, because none but American-built vessels may engage in our domestic carrying under a law that has been among our statutes uninterruptedly since 1817.

So long as our domestic carrying was conducted in vessels of a type that was unsuited to ocean going, especially foreign going, business foreign opposition to the growth of our domestic marine was not pronounced. But as soon as it was apparent that the accommodation of the most rapidly growing portion of our domestic carrying—that between our insular possessions, Alaska, and through the Panama Canal in the coast-to-coast trade—necessitated the construction and operation of ships capable of engaging in any trade of all of the seven seas, then the menace of American maritime revival became too acute for further postponement of the defeat of that effort. Circumstances seemed to lend themselves to the defeat of that effort. President Wilson discovered, and publicly declared, that our coastwise carrying was a "monopoly." It has been so declared by free traders in and out of Congress for two or three years, ever since opposition developed to the repeal of the law that relieved vessels in our coast-to-coast trade from the payment of Panama Canal tolls.

If a demand for American-built ocean-going steamships continues long enough, even if such a demand is confined to American ships for use only in our coastwise carrying, it must be apparent that in time the supply would be of so extensive a character as to bring about methods of construction, economies, and efficiency in American shipyards that would enable American builders to compete successfully with foreign shipbuilders. In such an event it would not be long before the trident of Neptune, said to be the "scepter of the world," would be lodged in American hands. No free trader on earth wants that to happen, least of all our foreign maritime rivals.

The way to kill off such a menace for good and all is to kill off American shipbuilding. That destroyed, the danger is past. Now, therefore, while it costs substantially more—I mean, of course, in normal times—to build ships in this country than it costs to build them in other countries, now is the appointed time to admit to our coastwise carrying foreign-built ships owned by American citizens or corporations. As to American corporate ownership of foreign-built ships, it can be accomplished in this easy way without disturbing in the least real foreign ownership: A foreign steamship line may be sold to an American corporation, the foreign owners receiving as pay the stock of the American corporation beyond the few nominal shares needed for the few American directors (dummies) required to conform to the requirements of law. An American corporation then owns the ships, which are entitled to employment in our domestic carrying, but actual ownership still remains abroad.

Of course, the moment that foreign-built ships are admitted to our coastwise carrying no one will order ships at substantially higher cost from American builders. If our builders should first succeed in reducing cost of shipbuilding to the foreign level such an enactment would be less of a menace, but menace enough, nevertheless.

One word more on this point. Of course no one now alive is responsible for the act of 1817 reserving our domestic carrying for American-built vessels. President Wilson would undoubtedly find, if he should investigate the antecedents of that act, that it was then regarded and accepted "as good Democratic doctrine"; that is to say, the "monopoly" he has discovered in our coastwise carrying is of Democratic creation. If it is a "monopoly," when participation in it is open to 100,000,000 American citizens, it is a law-created monopoly, and no one is permitted to participate in our coastwise carrying who does not have his vessel built in American shipyards. Vice versa, any American citizen who has a vessel built in an American shipyard may run her in the coastwise trade of the United States. But for the purposes of our foreign maritime rivals and to satisfy the economic fanaticism of American free traders it is decreed that American maritime interests must be strangled aborning.

As to putting the Government into the merchant shipping business. It may build, buy, and charter merchant vessels, and such vessels may engage in any American trade. This bill was decreed because of the failure of the free-ship bill of August 18, 1914. Out of a carefully estimated American ownership of 2,500,000 gross tons of vessels under foreign flags but slightly more than 600,000 tons have come under American registry, although the free-ship law not only admitted foreign-built vessels owned by American citizens and corporations to American registry for foreign carrying, but every law, rule, and regulation growing out of our Steamboat-Inspection Service, designed only to safeguard life and property under the American flag, has been suspended in respect to these naturalized foreign-built ships, and their alien masters and officers are permitted to command and officer them. Besides, these vessels and their cargoes are insurable under our Federal war-risk insurance act.

When the war ends, it has been the expressed view of representatives of the administration, many of these naturalized foreign-built ships will revert to foreign registries, foreseeing which the administration Government-ownership bill has been foisted upon an unsuspecting and indifferent people, the political purpose of which is to throw dust in the eyes of the American people by making them "see" and therefore believe that the Democratic administration has solved a problem that has vexed the souls of American legislators for over half a century.

In the 10 years preceding Democratic control of Congress every minority report made by Democratic members of congressional committees dealing with bills designed to build up American shipping in foreign trade favored the old policy of discriminating duties—every report. On February 26, 1910, when the Democrats were in the minority, Representative Underwood made a great speech on the floor of the House, strongly opposing subsidies and ardently advocating a return to "the policies of the fathers," to the policy adopted by the first Congress under the present Constitution, a policy framed and enacted by the men who had participated in framing and having adopted the Constitution which we rejoice to live under—a policy based upon "the constitutional regulation of commerce," which in recent years Democratic national platforms have invoked for the rehabilitation of our shipping in foreign carrying. As argument in behalf of this early American policy of discriminating duties, Democrats were able to "point with pride" to the fact that from 1789 until 1861, a period wholly antedating Republican participation in governmental affairs, American ships carried an average—mark this, an average—of 80 per cent of the entire imports and exports of the United States, and during 61 of these 72 years the early American policy of discriminating duties was in full or partial effect.

It is worth emphasizing that for nearly three-quarters of a century four-fifths of the foreign carrying trade of the United States was conducted in American bottoms, ships built in the United States, wholly owned by American citizens, commanded, officered, and manned by American citizens. And this was under a policy that merely increased the customs duty on imports in foreign vessels over the amount of the duty imposed on imports in American vessels. It took nothing from the National Treasury. On the contrary, it was a revenue getter, in that to the extent that imports came to us in foreign vessels the national revenues were increased.

When Senator UNDERWOOD was chairman of the Ways and Means Committee of the House of Representatives he inserted in his tariff bill, with the full approval of every Democratic member, a provision reducing the duty 5 per cent on all imports in American vessels. From the moment the tariff bill saw the light of day the 5 per cent discount section was bitterly and consistently opposed by Secretary of the Treasury McAdoo, who during the past couple of years has crossed and recrossed the American Continent lamenting upon the decline of an American merchant marine and demanding, for the Nation's protection and welfare, the immediate creation of a naval auxiliary merchant marine. Before the bill was a month old Secretary McAdoo was writing to the State Department for an opinion as to the meaning of this section, and although he failed to have it stricken out in the House, he succeeded in the Senate; but Mr. UNDERWOOD had it restored in conference, and it was enacted along with the rest of the bill.

What then? Failing to persuade Mr. UNDERWOOD to have an act passed repealing the 5 per cent discount section, Secretary McAdoo obtained an "opinion" from our then Attorney General, Mr. McReynolds, to the effect that the section was unenforceable. Twice since that time the courts have declared the section is enforceable, but Secretary of the Treasury McAdoo, the man who wants a naval auxiliary American merchant marine, and who is charged with the duty of enforcing a law designed to give us an American naval auxiliary merchant marine, refuses to enforce it.

And so Senator GALLINGER, of New Hampshire, has introduced a bill that would restore the old policy of discriminating duties in the right way, by increasing the duty on imports in foreign vessels, rather than reducing the duty on imports in American vessels, applicable to all imports, dutiable or undutiable; a bill that would increase the national revenue \$165,000,000 the first year of its operation; that would at least partially restore protection, and thus prosperity, to our country; and, most of all, that would re-create an American merchant marine and maintain it in foreign carrying.

ALEXANDER R. SMITH.

NEW YORK, July 22.

Mr. JONES. I think, Mr. President, that is all.

Mr. CURTIS. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Hollis	Norris	Smith, S. C.
Brady	Husting	O'Gorman	Smoot
Chilton	Johnson, S. Dak.	Overman	Sterling
Clapp	Jones	Penrose	Stone
Clark, Wyo.	Kern	Phelan	Swanson
Clarke, Ark.	La Follette	Ransdell	Thomas
Curtis	Lane	Shafroth	Tillman
Fletcher	Lee, Md.	Sheppard	Townsend
Gallinger	Lewis	Sherman	Warren
Gronna	Martin, Va.	Smith, Ariz.	Williams
Harding	Martine, N. J.	Smith, Ga.	Works

The PRESIDING OFFICER. Forty-four Senators have responded. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. BRYAN, Mr. HUGHES, Mr. SMITH of Maryland, and Mr. UNDERWOOD answered to their names when called.

Mr. KERN. I desire to announce the unavoidable absence of my colleague [Mr. TAGGART] and the Senator from Mississippi [Mr. VARDAMAN]. This announcement may stand for the day.

Mr. BANKHEAD entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. There is a quorum present.

[Mr. GALLINGER addressed the Senate. His speech is printed in the Senate proceedings of August 14, 1916.]

Mr. HARDING. Mr. President (Mr. NORRIS in the chair), the Senator from Washington [Mr. JONES], the Senator from Maryland [Mr. LEE], the Senator from California [Mr. WORKS], the Senator from Arkansas [Mr. ROBINSON], the Senator from Texas [Mr. SHEPPARD], the Senator from Colorado [Mr. SHAFROTH], and the two Senators from New Hampshire [Mr. GALLINGER and Mr. HOLLIS]: I have taken the trouble to address all the Senators present on this occasion, because I should like, if I may, to convey to the American people some little suggestion of the intense interest of the majority, in particular, in a subject so important as the reestablishment of the American merchant marine.

Mr. President, I can believe that if a measure is to be passed by this body under the lash of the Chief Executive to afford an added claim for a political campaign, there ought at least to be a pretended interest in the measure, whether or not the arguments offered from this side of the Chamber are worthy of a hearing.

No nation in all history has achieved a high place in commerce which was not a maritime nation, and no people has ever

become a maritime people that has not been a shipbuilding people. This Nation, in the beginning, when there were men of daring and determination and virility, who had the making of a nation before them, who had not yet accumulated their "pile," as we sometimes say, who were determined to make the New World Republic a power among the nations of the world and a becoming participant in trade, had no difficulty in establishing a merchant marine, though they were the offspring of the marine power of the time, and as a colony had been kept down, without any encouraging development. I am not sure but that the fact that the mother country kept the Colonies apart from trade had much to do with the conflict for American independence. Yet here we are to-day, after more than half a century of retrogression in American shipping, so far as overseas transportation is concerned, contemplating a new departure, admittedly under the party lash; and yet so interesting and so intensely important a problem is met in this body with an indifference that would shock the American people if they could only see it as one does who sits in this body.

Mr. President, I am not expressing a grief that is personal to myself about the inattention that is given to the discussion. I do not know but that some Members of this body have the impression that the public is not concerned. I have a conviction that the Members of Congress from the Middle West have opposed the development of a merchant marine, as has been outlined by the distinguished Senator from New Hampshire [Mr. GALLINGER], through a misunderstanding of public interest. I shall venture to relate to the half dozen Senators who are good enough to listen a little experience of my own, demonstrating public interest in this question.

In 1903, some two years after the death of the late William McKinley, I was interested in a campaign in Ohio wherein Mr. Hanna, the late Senator from my State, was the most prominent candidate in the campaign. He had been the personal friend and the associate of William McKinley, and it was perfectly natural to my mind that this great man, in going before the people, interested in the policies that McKinley had so long espoused, should have made frequent and extended allusion to McKinley in his campaign. To my political instincts, however, that was a mistake; and inasmuch as I was traveling with the distinguished candidate at that time, I said to him, "Two years after the death of William McKinley ought to relieve him from being a part of this campaign, and I think you are making a mistake to use his name so frequently." With characteristic frankness Mr. Hanna said, "Well, what are you going to talk about if you can not talk about the tariff question and this great apostle whom we all loved so much?" I said, "Senator, I want you to try an experiment in Ohio. You are familiar with the merchant-marine question." I think he was joint sponsor for the Hanna-Frye bill. I am not sure about that. I knew, however, that he was familiar with the question. I said, "Our people in Ohio are just as much interested in ocean shipping as the people on the seacoast. You discuss this question that has been interesting American statesmen for so many years, and tell the people of Ohio the plain truth about it, and you will find a responsive interest."

The next engagement of our speaking aggregation was in a country district where mainly farmers were assembled on the county fairground, and Mr. Hanna, with characteristic energy and that marked understanding which he possessed in relation to any subject in which he was interested, started out and made a speech of 45 minutes devoted exclusively to the American merchant marine; and I never saw an audience whose attention was more riveted, an audience that made more willing response. So keen and wise and discriminating a politician as Mr. Mark Hanna never omitted in a subsequent speech in that campaign a discussion of the American merchant marine; and I have the conviction that if that great man had lived, he would have lent his energies and his influence to the establishment, through legislative action, of a measure upbuilding our American merchant marine.

I have only alluded to this, Mr. President, to show the popular interest in this question; and yet it is true that statesmen from the Middle West, frightened by the cry of "subsidy," which has been shouted from the other side of this Chamber from the time when memory runneth not to the contrary, have yielded, lest their people imagine that they were doing something for the promotion of special and favored interests. I venture to assert at this point, Mr. President, what to my mind is to-day the greatest need in American popular government. I do not expect to find them in any one party, and I am not making a partisan observation; but I tell you, Senators, in the American Republic to-day we need a few men in public life more concerned in exalting than in exploiting the American people. We need a few men in legislative halls and executive offices who are

more concerned about doing things for the public good than they are for winning popularity.

I have been very much interested in the study of some of the makers of the American Republic; and the men who have a high place in history are the men who oftentimes throttled a popular notion and offered in its stead something that should contribute to the public good. Not every popular notion is a dependable one; many are ephemeral; and, in my judgment, the most serious thing in our popular government to-day is the frequent appeal to the prejudiced vote of the great mass and the insincerity which lies back of it.

I will not say that the party in power is not sincere in this proposition to establish Federal shipping. I am a little reluctant, Mr. President, even to discuss the matter since I know that it is a decree of the party caucus. The action of this body, as was the action of the Commerce Committee, is decreed by Executive order, and I have no disposition to add extended observations merely to make a record or to contribute to political literature. Congress is doing far too much of the latter every week. Sometimes the Senate seems to me more a factory for turning out political falderal than a forum of statesmanlike debate. I do not assume that the abuse is wholly one-sided, though I do admit the greater capacity of the majority for grinding out a worthless grist which ought never to go to the type-setting machines in the Government Printing Office. If we could somehow let the public understand the cost of words to the Public Treasury, I believe that public would demand a reform; but I do not mean to urge so impossible a thing just now—merely deplore the practice, because I feel the uselessness of utterance when addressing myself to a bill the fate of which is foreordained by a mandate of political exigency.

The keenest disappointment that I have known in the Senate came of the handling of this bill by the Committee on Commerce.

I do not pretend to have been a student of the subject of merchant marine, but I had expected a full and revealing and informing committee discussion in which I might, as a member, participate. The making of a maritime nation, or rather with us the restoration of a maritime power, seems to be of such surpassing importance that the most careful and conscientious study ought to be imperative. Instead, this body, without committee consideration, has a makeshift, a political consolation prize, a mere excuse for the political claim of constructive accomplishment, which offers Government invasion of the only marine fields in which we now excel, to confuse and harass, if not to destroy, and giving no assurance of accomplishment in the transoceanic field when we are anxious to restore our prestige.

The water commerce of the Great Lakes system and our coastwise shipping have kept pace with every step of our marvelous development. There is not a well-established claim to added shipping which is not developing normally and naturally under the impetus which makes for the triumphs of private industry, and Government protection is all that was ever asked, and Government capital and interference are the distinct things which are neither needed nor desired.

The Democratic Party clearly purposes to go before the country proclaiming its solution of the shipping problem, though no member of the majority feels a confidence in the proposed means of solution, and nobody familiar with our water commerce believes in the efficacy of the measure which is to be given enforced passage.

The upbuilding of a merchant marine is a slow process. It required two centuries to establish British eminence on the seas, and drastic methods and the confessed abandonment of all British ideas of free trade, and the real American achievement will require vastly more than fifty millions from the Federal Treasury and a new Federal department—it will require protection and fostering, no matter what form the governmental aid assumes.

As I said a moment ago, no nation in all history has excelled in maritime achievements which was not first eminent in the shipbuilding industry. This bill entirely overlooks this important fact, only grudgingly takes note of shipbuilding possibilities, and proposes to procure our ships from the constructing yards, directly or indirectly, of competing nations. The creative policy, the effective policy, the truly American policy requires American-built ships for the American merchant marine.

Mr. President, if this measure were American enough, even though it enters more deeply into the field of Federal ownership, if this bill were American enough to propose Federally built American ships, I am not sure but that I would consent to vote in favor of its passage. But the bill is not even American in that direction.

The European war brought us to a new realization of our insufficiency in transoceanic shipping and emphasized the folly of Congress in failing to adopt an upbuilding policy when we began to rebuild the American Navy. Whether it was the influence of the lobby of competing nations, who could well afford to conspire against the development of the shipping of this producing nation, or whether it was the feigned horror of subsidy or subvention against which the Democratic Party had so loudly inveighed, whether it was the slumbering pride of those who prefer to trade cheaply than produce profitably and helpfully to all the people, the failure to develop the merchant marine did not make a deep impression on the popular mind until war conditions revealed our weakness.

Opportunity came to conquer markets in peaceful pursuits as opportunity has come to no other great nation since the world began, but we were unfitted to avail ourselves of beckoning opportunity. But with need magnified the party in power seeks to make amends, not by any normal process, not by logical methods, not by the consistent encouragement of private industry, which has made us what we are, but the miracle method of government ownership is invoked, which can accomplish nothing during the abnormal conditions of war and is sure to rend our coastwise and Great Lakes achievement in the interference that will come with peace.

The plan not only adds to the paternalistic socialism which is the menacing development of the present Congress and its directing head, but it is the most indefensible business proposition ever made by a party with an avowed hostility to business success. It is too late to seek shipping facilities to meet war conditions. The making of a merchant marine is an undertaking for the next decade and the next generation of Americans. It is a slow and cumulative undertaking. No sane business man would enter a prohibitive market to even start to buy for a future generation. That may be the Democratic idea—the administration's conception of business sagacity—but it will not win the plaudits of the American people. A party that makes a profession of assailing high prices ought not multiply war-time rewards. I want to subscribe to an upbuilding process, not a bull market overbilled with coin from the Federal Treasury.

There are Democrats who do not lack knowledge of one method to build up American shipping in foreign trade, but they lack courage to apply knowledge to the problem. The records of Congress during the past 15 years amply demonstrate the method that Democrats who have looked into the problem would undertake to solve it. The policy which such Democrats believe in has found concrete expression in innumerable bills introduced in Congress by Democrats. Reasons for that policy have found concrete, clear-cut, and persuasive argument in support of it in minority reports filed by Democrats who, as members of congressional committees, have given study and thought to the subject. The policy advocated by Democrats who have studied the shipping problem is as different from the one they are now about to establish, under the lash of the administration, as night is different from day. Democrats who realize the real requirements of an American merchant marine, and one effective way to meet the requirements, have thrown their own judgment to the winds and have accepted the dictum of the administration, no member of which has any genuine knowledge of the subject, but which has, nevertheless, formulated a policy—if it can be dignified by such a term—unheard of, untried, and so utterly objectionable as to force its reluctant advocates to place a limit of five years after the present war upon its operation. In other words, the one supposedly constructive phase of the administration program—the Government purchase, sale, or lease of ships on terms that make for advantage but which is not special favor or privilege or other offensive term, because it is new and very indirect—is to be provided and heralded to the people, and it is written in the law that the failure will be revealed within five years. But the shipping board is to be permanent. Let us hope its cost will be justified in a measure of helpfulness, though born as a twin to this new child of Government ownership.

Although this shipping board is directed to investigate the subject of the condition and needs of an American merchant marine, and to recommend such laws as will lead to the creation and maintenance of such a marine, the board is to be hobbled for a period of five years, at least, with a fixed policy that is the result neither of investigation nor study. Running only for five years, however, this policy is naturally unsubstantial and evanescent. It is, on its face, merely an expedient, and an uncommonly weak one at that.

The price of ships is measured by their dead-weight carrying capacity. Averaging up the ships their dead-weight capacity is about 25 per cent greater than their gross tonnage. About

7,000,000 gross tons of ships are engaged in our foreign carrying, 2,000,000 tons being under the American flag. The dead-weight carrying capacity of the foreign tonnage to be displaced by American ships would be about 6,125,000. At the minimum of prevailing prices this would cost \$125 a dead-weight ton, probably nearer \$150 and possibly \$200, with the Government in the field bidding up the tonnage it may purchase. At the minimum of prevailing prices this would cost the Government \$812,500,000; at the probable prices it would cost the Government \$975,000,000; and at the possible maximum rates of \$200 per dead-weight ton the cost would be \$1,300,000,000 for enough ships to enable us to do our own foreign carrying.

But the Government proposes to step into the market, a market in such an extraordinary condition as ours is in, with its \$50,000,000—an extreme limit of \$50,000,000—which is to be spent for the construction, purchase, lease, or charter of ships—money enough, possibly, to purchase 5 per cent of the tonnage needed, although perhaps no more than enough to purchase 3 per cent. How sublimely ridiculous! How colossally grotesque! And yet Democrats propose to point with pride to such an achievement. It is to be a part, and a very large part, too, of the "constructive" achievements of the administration, for campaign offering.

A few months ago the National City Bank, of New York City, organized a subsidiary company, known as the International American Corporation, with a capital of \$50,000,000, and presumably to engage in the purchase of ships, since the activities of the new corporation seem to have been confined, at least largely, to investments in ships. Of course, some little attention was paid to a company of this magnitude, but scarcely more than to cause mere passing attention. What effect, however, the Government coming into the field will have upon this new corporation, and especially as to whether or not it will restrain the new corporation from further investments in American shipping pending more precise knowledge of the Government's plans in the premises, remains to be seen. It would not seem, however, as though companies, corporations, firms, and individuals would heavily invest in American ships until they know the character of the competition they will have to meet as established by the Government.

Right there is one of the most serious phases of this matter. The uncertainty of the extent to which the Government will proceed, the effects of its competition, which seem to have no limitation, or in any direction—in foreign or domestic carrying—all of these moot but important questions will remain in abeyance until the Government has shown its hand. Pitifully small as fifty millions are in this undertaking, it makes a formidable competitor, and the party which votes fifty millions may vote five hundred millions, if kept in power.

Of course, there is a possibility that some corporation may be formed, if one is not already formed, whose relations to the new Federal shipping board, when that board is appointed, will be closer and more intimate than the relations of other corporations or firms or individuals, and such a corporation, managed by men astute in the buying and selling, and the building and selling, and the chartering and leasing of ships, might be a very useful adjunct to the Federal shipping board—a semi-official company, as it were, through which "the people in the business," if alive, would quickly find it to their advantage to operate, if it had any occasion at all to do business with the Federal shipping board. There are unlimited opportunities for ramifications and connections, more or less close, of this kind, and favoritism may become a new "pal" of the party in power.

Had it been safe to do so and had the purchase of the ships of belligerent nations been possible at reasonable prices, there might have been some justification of Government financial aid in their acquirement to meet urgent and immediate needs. But such purchase has been forbidden, wisely, I think, in order to make the bill even tolerable to many Members of the reluctant majority of this body. Moreover, the bill as amended does not permit the purchase of ships now engaged in our trade. And, of the ships which may be required, none may fall below a standard of 75 per cent of its original efficiency. Thus circumscribed and hedged about, the Federal shipping board is to go forth and spend its \$50,000,000.

But this is the least of its weaknesses or evils, since the fifty millions may soon be spent and soon be forgotten, the fifty millions and the ships it buys as well. But the bill is so amended as to admit to our coastwise carrying any foreign-built ship the Government may build, buy, lease, or charter. It may use its fifty millions, possibly, to buy and sell, and to buy and sell over and over again, enough ships to destroy the American-built ships which, since the foundation of our Government, alone are permitted to engage in our coastwise carrying. Until now,

under a law enacted in 1817, no ship could engage in our coastwise carrying that was not built in the United States. In order to engage in our coastwise carrying our laws have for almost a century required the building of the ships in the United States, and even before that the discrimination by law established against foreign ships engaging in our coastwise carrying were so drastic as to keep them out of it completely. Never have we allowed foreign ships to do our coastwise carrying, and it is an American policy to rejoice the American heart.

Have the provisions of this very remarkable bill been examined by Senators, and with the care that they merit? I wonder. Take section 5, for example. Note the very sweeping character of its phrasing—

That the board, with the approval of the President, is authorized to have constructed and equipped in American shipyards and navy yards or elsewhere, giving preference, other things being equal, to domestic yards—

Regarding this I shall have more to say later—
or to purchase—

It is right here that I desire to engage the thoughtful attention of Senators—

lease, or charter vessels suitable, as far as the commercial requirements of the marine trade of the United States may permit, for use as naval auxiliaries or Army transports, or for other naval or military purposes

Senators will notice, I am sure, that it is not even necessary that the Government shall purchase the foreign-built vessels that it may desire; it need but lease or charter them from their foreign owners. Mark you, the foreign ownership may continue, but the vessels may come under the control of the United States for use only during the period of their lease or charter. And yet, what do we find? Read section 7. I quote it for the convenience of Senators.

That the board, upon terms and conditions prescribed by it and approved by the President, may charter, lease, or sell to any person, a citizen of the United States, any vessel so purchased—

Again, I beg the critical attention of Senators—
constructed, or transferred.

Does not this mean that a leased or a chartered foreign vessel may be re-leased or rechartered to an American citizen by the Federal shipping board? It seems so to me. On that assumption, what may be done with the foreign vessel that is first leased or chartered by our Federal shipping board and by it re-leased or rechartered to an American citizen? Mind you, this is still a foreign vessel, so far as ownership is concerned. What may be done with her? Section 9 says:

That any vessel purchased—
Mark you, "any vessel"—

chartered, or leased from the board may be registered or enrolled and licensed, or both registered and enrolled and licensed, as a vessel of the United States, and entitled to the benefits and privileges appertaining thereto.

So that there shall be no doubt as to what those privileges are, the section goes on to say. I quote:

Provided, That foreign-built vessels admitted to American registry or enrollment and license under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder, and vessels sold, leased, or chartered to any person a citizen of the United States, as provided in this act, may engage in the coastwise trade of the United States.

Doubtless our registry, our enrollment and license regulations will have to be so amended that a leased or a chartered foreign vessel may be registered or enrolled and licensed as a vessel of the United States, and the definition of what a vessel of the United States is, as heretofore understood and provided, will have to be changed, also, so that a vessel of the United States, under this provision, may be a foreign vessel, owned by foreign people, a vessel merely under lease or charter to our Federal shipping board, and by it merely released or rechartered to an American citizen. Have we come to that, in our inordinate zeal to allow foreign vessels to enter our coastwise trade? A fine merchant marine we shall have, with foreign-owned vessels carrying documents issued by the United States, designating them as registered or enrolled and licensed vessels of the United States.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Ohio yield to the Senator from Florida?

Mr. HARDING. I yield.

Mr. FLETCHER. The Senator is dealing with a very important feature of the bill and arguing that these ships ought not to be operated in the coastwise trade. I wish to put this question to the Senator. First, the possibilities of acquiring ships by purchase or charter or lease are remote. All the nations now at war could not if they would (besides all of them have passed laws prohibiting the transfer of any of their ships) sell or transfer any ships to this board.

That will exclude the United Kingdom, Canada, Australia, France, Germany, Austria-Hungary, and Italy. It excludes three-fourths of all the shipping of the world from any possible chance of being considered by this board; that is, the board must put all those to one side.

Then in the next place we are building ships to-day in our yards as cheaply as they can be built anywhere. That, I think, is pretty well established. The time when it would cost 40 or 50 per cent more to build a ship in the United States than in the Belfast or other foreign yards has passed. We are now actually building ships for foreign owners in our yards.

Those things being considered, will not the Senator be satisfied that the possibilities of putting into the coastwise trade any ships that do not come up to the requirements of the law as it has existed since 1817, are exceedingly remote? That is to say, under this bill, the ships admitted to coastwise trade will practically exclusively be those built in American yards, owned by American citizens, flying our flag and having American registry. Those ships have always been admitted to our coastwise trade. Are not the opportunities of acquiring ships by this board too limited to excite any alarm that ships other than those which have in all the years past been qualified to engage in our coastwise trade will be admitted to that trade?

Mr. HARDING. Mr. President, I am delighted to answer the Senator from Florida. Even if the assumption which he has made were true, I should dislike to think that the protection and the upbuilding of our coastwise trade was to be protected by the foreign nations of the earth. I would a little rather subscribe to a policy wherein American interests and the American regulation of the sale and transfer of ships shall apply to our coastwise shipping.

Further, if the statement which the Senator from Florida makes, namely, that we can now build in American shipyards as cheaply as abroad be true, then this bill lacks the soul of Americanism when it does not provide specifically that ships must be built in American shipyards. However, Mr. President, since the question has been raised, I will say that I doubt very much if we can build in American shipyards as cheaply as they can build abroad. I have understood that the late John Roach, who was a distinguished American shipbuilder, until the Democratic Party broke his proud spirit, said that under the development of the shipbuilding industry in this country we had reached a point where we could build a passenger-carrying vessel within about 10 per cent added cost over and above the English shipbuilder; but I understand we have never been able to come so closely to the foreign cost of production in cargo-carrying ships. If we had arrived at that stage there would be little use, I can believe, for any sort of legislative encouragement to the upbuilding of an American merchant marine; but the American trouble has been, all along, that we were unable to build in competition with foreign shipyards.

Mr. President, that is the whole trouble; that is the fundamental difference between those who sit on the other side of the Chamber and those who sit on this side of the Chamber. Nobody has at any time disputed the difference in the cost of labor abroad and in this country. The trouble with the majority in this Chamber is that they are not willing, or have not been willing up until this time, to make a recognition of the difference of cost and to continue the Republican provision which makes up that difference to the American employer in the form of American protection. I would continue that protection.

Mr. FLETCHER. Without going into a discussion of the tariff, I should like to ask the Senator from Ohio if he will not admit that our contention has been really that the duties contended for by Senators on the other side of the Chamber have been in most instances from two to three to five times higher than was necessary, in order to cover the total labor cost in the production of the article?

Mr. HARDING. No, Mr. President, I will not admit that; but even if I did admit it, I should still be for the duties. Since the Senator from Florida has raised the question, however, and if it is not too much of a trespass on the time of this body, as assembled here, I desire to say that I want to be known as a real protectionist. I would put the tariff high enough on any article which can be produced in the United States of America to guarantee the establishment of that industry here. Then I would trust to the competition between Americans to hold the level of prices. That is the kind of protectionist I mean to be.

But, Mr. President, I am more seriously concerned just now about the entry of the foreign ship. I admit, as the Senator from Florida suggests, the unlikelihood of the immediate acquisition of foreign vessels; but, Mr. President, I would not open the way for the entry of a single foreign-built vessel to the coastwise commerce of the United States.

It is related that a few years ago an eminent American shipowner of Baltimore, Md., and confessedly holding rather intimate relations with the Hamburg-American Line of steamships, approached our Government to find if there was a lawful way in which the German Hamburg-American Line could invest some of its capital in vessels built in the United States to engage in the coastwise trade of the United States. My recollection is that no way could be devised under the laws of the United States as they are to-day that would make such an innovation possible. But to-morrow it would seem that such an innovation would be possible if the war should end; or next week, or next month, or next year, or whenever the war does end, this thing would be possible. Not only would it be possible for the money of the Hamburg-American Line to be invested in ships built in the United States to engage in our coastwise trade, but German-built and German-owned ships could freely engage in that trade under the astutely drawn provisions of this bill.

This bill, as it came from the House, still held a touch of Americanism in protecting our coastwise trade. It prohibited foreign-built vessels admitted to our registry or enrollment from engaging in our coastwise trade, except in a limited extent in trade with Alaska, Hawaii, and Porto Rico, but the Senate committee report, dictated in a Democratic caucus—no; I should say "conference"—says:

Your committee being of the opinion that vessels owned in whole or in part, directly or indirectly, by the United States, as provided in this act—

Here, again, I beg the especial attention of Senators—

and vessels sold, leased, or chartered to any person a citizen of the United States, as provided in this act, should be permitted, without hampering restrictions, to engage in either the foreign or coastwise trade of the United States, believes that this section should be so amended as to accomplish this purpose, and the amendments proposed to this section are with this view.

I may say, and with truth and with emphasis, that the "hampering restrictions" would, indeed, be removed.

There are richer plums—far richer plums—awaiting investors in foreign ships for our coastwise carrying, awaiting some investors in foreign ships for our coastwise carrying, than ever were dreamed of in the philosophy of buying belligerent ships. The bill was conceived, or seemingly conceived, as a scheme for helping out in our foreign carrying under circumstances and conditions unheard of, unprecedented. At the time it was originally proposed there was a semblance of reason for it, as a temporary expedient, but that reason has long since disappeared with the advent afloat of every ton of shipping, the whole world over, that is capable of bearing cargoes, all except the interned merchant ships of belligerent nations, which are no more available now, or under this bill, than they have been at any time of this war.

There never was need of additional ships in our coastwise carrying. There is no need, no great need, of additional ships in our coastwise carrying, even now, that American shipyards can not construct. American capital has always furnished enough American-built ships for all the needs of our coastwise carrying. Perhaps, owing to the unprecedented demand for tonnage in our foreign carrying, some of the ships have been taken from coastwise and put into foreign carrying, but not enough to seriously cripple our coastwise carrying, a condition that will quickly right itself with the termination of the war.

But our coastwise carrying has become a very important carrying. Ocean-going ships are necessary for it. The stretches of our coast are long, and ships must proceed out on the oceans for hundreds—yes; for thousands—of miles to accommodate all of our coastwise carrying, which includes our trade with Alaska, Hawaii, and Porto Rico, as well as that along the Atlantic, the Gulf, and the Pacific coasts, and between these coasts, and upon the Great Lakes. The type of ship that this tremendous trade has necessitated is analogous to that required for foreign carrying, ships adapted to ocean navigation. If the people of the United States are to be permitted to go on uninterruptedly in the building of ocean-going ships for its coastwise carrying, the time is sure to come when the United States will reach out for the near-by foreign carrying, then for the more distant foreign carrying, and finally for any foreign carrying with American-built ships. The same protection and same encouragement which other great nations bestow will develop a merchant marine to meet our highest expectations.

This bill, it seems to me, the first ostensible object of which is to build up our foreign shipping, and which must fail of that object, is to be made the vehicle of the eventual overthrow of the whole American coastwise carrying, in which we are now supreme. So true to destructive policies is Democracy that when it starts out on a constructive pathway at the first opportunity it abandons construction and furtively diverges toward a destructive policy, its true aim.

The purpose to allow foreign vessels to enter into our coastwise carrying is not intended to help any American interest. It can not manifestly have any other purpose than to aid foreigners at the expense of American shipowners and American shipbuilders. The real effect is to destroy American coastwise shipping and, as an incident of such a purpose, eventually to destroy American shipbuilding. Whether that be its purpose or not, that is what will be accomplished. It proposes to allow, for the first time in our history, the use of foreign-built ships in our coastwise carrying, and this includes our carrying on the Great Lakes, where we have built up a phenomenal American merchant marine, a merchant marine that holds aglow the "unsalted seas" of the far interior and annually bears a rich commerce of over 100,000,000 tons, chiefly of raw materials and foodstuffs.

Just now, to be sure, the demand for ships on the Great Lakes is extraordinary, due to the equally extraordinary demand for iron ore and for wheat and flour, a demand that is more foreign, even, than American, and which owners of ships on the Great Lakes are straining themselves to the uttermost to meet. For this extraordinary and temporary condition the Government could purchase and use no ships that would modify the demands for tonnage on the Great Lakes. American shipowners on the Great Lakes are growing rich, just as our shipowners on the coast are growing rich, out of the demands created more largely by the war. But it is intended to destroy our coastwise shipping, which has benefited least by the extraordinary requirements for ships, by ruining the lines that have faithfully performed the services they were organized to perform, and by ruining American shipbuilders who, for the first time within the memory of any Democrat living, are also making money. Reason enough for destroying them.

The dislike of our coastwise shipping—our wholly American coastwise shipping—first began to manifest itself contemporaneously with the demand for the repeal of the provision that gave free passage to ships through the Panama Canal that were engaged in American coastwise carrying. A Democratic House of Representatives, a Republican Senate, and a Republican President had jointly participated in the passage of a law that gave free passage through the Panama Canal to ships engaging in coastwise carrying—a concession that necessarily, under our navigation laws, was limited wholly to American vessels, a law, by the way, that as a candidate for the presidency Mr. Wilson saw fit to commend, but which, as President of the United States he decreed the repeal of and accomplished the repeal of, although the platform upon which he was elected declared unreservedly in favor of exemption of tolls for vessels in our coastwise carrying trade.

If any Senator is curious about public sentiment on this question, is curious to learn the opinion of the people on legislation favorable to American shipping and this violation of the American ideal, let him go with me to the stump. I know that American sentiment holds an American interoceanic canal to be the fit instrumentality for the effective encouragement of an American merchant marine.

American owners of ships in coastwise carrying dared to oppose the repeal of this law, and because of that they incurred the ill-will of the President, who forthwith discovered, and publicly announced, that our coastwise carrying is a "monopoly," because it is limited to American-built ships. From that time until now there has been a "growing demand" for the destruction of this law-created "monopoly," and bill after bill has been introduced in Congress providing for the destruction of this alleged "monopoly" through the admission of foreign-built ships to competition with American-built ships in coastwise carrying, a scheme the entering wedge of which we find the very worst feature of this administration shipping bill. It matters not what we may be told of the restraint that will be practiced by the Federal shipping board in the purchase of foreign-built ships. The principle is here established that the Government may buy foreign-built ships and that they may be used in the coastwise trade, and there is no limit beyond the five-year period during which the Federal shipping board may not buy and then sell, and buy again and sell again, ad libitum, enough foreign-built ships to duplicate every American-built vessel now engaged in our coastwise carrying and in our carrying between domestic ports on the Great Lakes. This is the extreme of what the bill sanctions, and we have no assurance that that extreme will not be reached, especially by an administration that regards American-built coastwise ships as a part of an obnoxious "monopoly."

We are told that the Government must not be restricted in the use to which it may put any ship it may purchase, wherever that ship may be built. If it buys foreign-built ships, it may put those ships in the domestic carrying on the coasts or on the Great Lakes of the United States. And those to whom the

Government may sell or lease such foreign-built ships, they, too, may put them into any trade they see fit, foreign, coastwise, or Great Lakes. But if an individual American citizen, or an American firm or an American corporation, buys a foreign-built ship, he is barred, under the most severe penalties, from putting her into the carrying of either of the coasts or the Great Lakes. Why is it that the Government is to be entitled to privileges that are to be denied to private American citizens, firms, and corporations? Why is the Government favored with the widest latitude in which it may place its foreign-built ships and private citizens restricted?

If the Federal shipping board is satisfied that the service rendered by a line of American-built steamships engaged in transportation on our coasts or on the Great Lakes is not a sufficient service, or charging reasonable rates, or not doing anything that the Federal shipping board thinks it should do, it may buy cheaper foreign-built ships and sell them to a rival company, and allow that rival company to enter into a ruinous and destructive competition with the company that has invested its money in ships built in the United States, as required under the laws that have prevailed for almost a century.

I sometimes think that the Democratic Party is turning from a denunciation of the policy of subsidy and going into a policy of conspiracy.

Everybody knows that in normal times it costs more to build ships in American shipyards than it costs to build them in foreign shipyards, and that, therefore, conditions are not "equal," but that, on the contrary, they are so unequal, largely because of the much higher rates of wages paid to the workmen in American shipyards, that merchant ships can not be built in the United States on terms of equality—price being the guide as to equality—with ships built in foreign countries. If the foreign price of any article is, or it seems to be, only a little bit lower than the American price, Democrats have always shown a pronounced preference for the cheaper foreign article, and they are eager always to allow the cheaper foreign article to displace the dearer American article in the American market. The prejudice against the American-built ship is too strong, and the prejudice against the American shipbuilder is too general, and the suspicion of everything American when offered in competition with anything foreign is too pronounced among our Democratic brethren for them to do anything else than to declare that other things are unequal, and purchase the ship "elsewhere" than in the United States.

Among the Gulf ports of the United States there has for some years been a pronounced and a growing prejudice against American-built steamships. Under a law passed in 1817 only an American-built ship may engage in the domestic carrying of the United States. Companies desirous, therefore, of engaging in domestic carrying have been compelled for 99 years to have their ships built in the United States, where they have been compelled to pay higher prices for them than if they had been built in foreign countries. If you were to ask the American owners of ships built in the United States and used in the coastwise trade of the United States how much more their ships cost them than if they had been built in foreign countries they would answer all the way from 33 to 100 per cent more. Our coastwise carrying being a protected carrying, foreign-built ships heretofore being excluded from that carrying, the steamship lines operating in our coast carrying have had ships of a much higher quality built for their protected domestic carrying than they would have had built if they had been subjected to the ruinous competition of foreign-built ships. Because of this important fact, American owners of American-built ships would be unusually vulnerable to the competition of lines of foreign-built ships, if the Federal shipping board in its wisdom should declare itself dissatisfied with the service rendered by the American-built ships of the existing steamship line, and purchase much cheaper foreign-built ships and sell them to a new corporation that would just start out and destroy the existing corporation. It will be a proud day for the United States when American shipowners are to be penalized by the Government for having ships built in the United States by American labor and the company ruined by ships built in foreign countries by foreign labor. And yet all of this is what the pending bill contemplates shall be within the power of the Federal shipping board.

Read section 7, which declares:

That the board, upon terms and conditions prescribed by it and approved by the President, may charter, lease, or sell to any person, a citizen of the United States, any vessel so purchased, constructed, or transferred.

There are no particularly qualifying provisions to that brief section. The board may prescribe the terms and conditions of charter, lease, or sale, and so long as the President perfunctorily approves, the charter or lease or sale goes through. Instead of

an American investor in ships consulting with an American shipbuilder as to the kind and cost of the ship he desires, he will search out the markets of the world for the type and size ship that best suits his requirements, have the Federal shipping board accommodately buy it for him, and then sell it to him, or lease, to engage in any trade. Why not? That is the reason for the creation of the Federal shipping board. If it performs the functions it is appointed to perform, such a thing as I have described is just what it will be called upon to do. And who will have a ship built in the United States at a price higher than he can have it built in a foreign country? Or who will buy an American-built ship when he can purchase a foreign-built ship more cheaply and put her in any trade—on the coasts or Great Lakes of the United States?

If you are in doubt about this, read section 9 of the bill, which provides:

That any vessel purchased, chartered, or leased from the board may be registered or enrolled and licensed, or both registered and enrolled and licensed—

The words "enrolled and licensed" mean that she may acquire documents that will give her the privilege of engaging in domestic carrying, as distinct from registered, which document would confine her to foreign carrying solely—

as a vessel of the United States and entitled to the benefits and privileges appertaining thereto: *Provided*, That foreign-built vessels admitted to American registry or enrollment and license under this act, and vessels owned, chartered, or leased by any corporation in which the United States is a stockholder, and vessels sold, leased, or chartered to any person a citizen of the United States, as provided in this act, may engage in the coastwise trade of the United States.

No misunderstanding about that. It is clear-cut, plain, and unmistakable. This discriminates against nearly 200 vessels of foreign build, aggregating something more than 600,000 gross tons, which have been brought under the registry of the United States, under the provisions of the act of August 19, 1914, and the proclamation issued by the President of the United States in accordance with that act. These foreign-built vessels are confined to foreign carrying—they are barred from coastwise carrying. Will their owners be satisfied to keep under the American flag a couple of hundred of foreign-built ships that are barred from privileges that are freely granted to newly purchased foreign-built ships, so long as they are purchased by the Federal shipping board?

Will not the owners of this 600,000 gross tons, and more, of foreign-built ships that during the past two years have been admitted to American register demand that they be granted every privilege that may be enjoyed by the owner of a foreign-built ship purchased by the Government? Is the fact that an American has, in good faith, acquired a foreign-built ship, and brought her under the American flag, say, to-day going to bar him from using her in the coastwise trade—a trade in which a foreign-built ship, purchased, say, to-morrow by the Federal shipping board, may engage? Does the Government of the United States think that it is so much superior as a sovereign than are the plain citizens of the United States—that it, the Government, may be privileged to do what the private citizens, firms, and corporations may not do?

Hard as it is going to be for private citizens to compete with the Government in the running of merchant ships in foreign and in coastwise trade, will the people of the United States sanction the enjoyment of privileges by foreign-built ships purchased by the Government that will be denied to foreign-built ships already bought, or that may be hereafter bought, by private citizens?

Now, then, let us get down to the serious meaning of all of this. Does it mean that there is to be a wholesale admission of several hundred foreign-built ships to the coastwise carrying of the United States, several hundred foreign-built ships that Americans have brought under the American flag during the past two years? Or does it mean that these several hundred foreign-built, American-owned ships are to be branded as the goats and the newly-bought foreign-built ships—the foreign-built ships that are purchased by the Federal shipping board, and by that board sold to private citizens—are to be the sheep?

Are we to have classes, at last, in the United States, and are they to be created by Democrats? Is the party of the plain people by this bill to create a class of Americans who are to be preferred and favored over other Americans? Either that or the wholesale admission to the coastwise carrying of the United States of a couple of hundred foreign-built ships purchased by American citizens during the past two years and brought under American registry. Are you prepared now to give the right of coast carrying to several hundred foreign-built ships that during the past two years have come under American registry? If not, do you dare to refuse to those ships the right to engage in

the coastwise carrying of the United States, while granting that right to any number of foreign-built ships your newly created Federal shipping board may buy? Can you defend—can you successfully defend—before the fair-minded American people so unjust, so unfair, so indefensible a distinction as this bill proposes?

And after you have cleared your minds—and your consciences—of what is just, and fair, and equitable, and defensible in respect to the American owners of foreign-built ships admitted to American registry for foreign trade alone during the past two years, what will you decide is fair, and just, and equitable, and defensible to American owners of American-built ships built for and now engaged in the domestic carrying of the United States? Will you be able to reconcile your minds—and your consciences—to the wholesale immediate and irreparable destruction in the value of these American-built ships, which will be inevitable if you do the equitable, just, and defensible thing by the couple of hundred foreign-built ships that have been admitted to our flag only for foreign trade during the past two years?

Until now you have said to any and everybody who desired to engage in our coastwise trade, "You are welcome, but you must have your ships built in the United States. It does not matter, even if they do cost more to build than ships can be built for in foreign countries, because we do not allow any ships built in foreign countries to engage in our coastwise carrying. You are subject only to the competition of other American-built ships. So come along."

Having said that for a period of 99 long and successive and successful years to every American citizen who desired to engage in our coastwise carrying, having said that to the hundreds of American owners of American-built ships now engaged in our coastwise carrying, are you going to cut the value of their ships in two or reduce them one-third of their value, by a wholesale admission of cheaper-built, foreign-built vessels to competition with them in the trade for which they were built and in which they are operating, depending upon the good faith of the Government to see that no injustice is done to them? Are you going to subject law-abiding American citizens, just because they happen to be the innocent but lawful owners of American-built ships in our coast carrying, to the ruinous competition of several hundred foreign-built ships over night, as it were, or "like a bolt from the blue"?

Mr. WADSWORTH. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from New York?

Mr. HARDING. I do.

Mr. WADSWORTH. The Senator's description of this revolutionary change in our policy with respect to our coastwise shipping and the prohibition of foreign ships taking part in it leads me to ask him if this question was ever discussed at all in the committee. As it is so vastly important to our entire shipbuilding industry I should like to know whether this question has ever come up and been discussed in the Committee on Commerce?

Mr. HARDING. Mr. President, I do not know whether or not the Senator from New York was present when I opened my remarks, but I stated at that time that this bill never had been given any detailed consideration in the Committee on Commerce; that as a member of that committee I had hoped to acquaint myself with this subject, but I know nothing more than the fact that here is a bill adopted by a Democratic caucus and reported by the Democratic majority of the Committee on Commerce without this question ever having been raised.

Mr. WADSWORTH. That is very interesting.

Mr. HARDING. I should like the Senate to understand this thing a little more clearly. The United States does not want to go into the business of buying and running merchant ships if it can persuade American citizens to do so. It proposes, therefore, to popularize the purchase and operation of ships by private American citizens by first buying or leasing or chartering or building ships and then offering them to private American citizens, either for purchase or lease or charter, the private American citizens to run these ships, either in foreign or domestic carrying. The United States, through its Federal shipping board, stands or proposes to stand as a sort of go-between between the builders of ships or the present owners of ships on the one hand and would-be American purchasers of ships on the other hand. If the United States shipping board knows that it has a customer for a ship or a fleet of ships to be built or already built, built in the United States or in some foreign country, the shipping board will have the ships built or it will buy them, if it may lawfully do so under the restricting clauses of the bill, and sell them to Americans—the private American

citizens—who have a business in which to place them, either a foreign business or a domestic business. Thus certain citizens are to be favored in purchasing or leasing or chartering vessels from the Federal shipping board in the use of such vessels in a manner that is denied to private purchasers, lessees, or charterers of similar vessels—American citizens transacting the ordinary business of buying, leasing, or chartering vessels without the interposition of the Federal shipping board. The conditions under which ships may be purchased, leased, or chartered from the Federal shipping board are to be so much more favorable than the conditions under which such transactions may be consummated privately that the private business will be destroyed or so handicapped as practically to amount to ruination. That is the sort of an intermediary the Government proposes to establish—a sort of a royal road to the purchase, charter, or lease of ships under the hand and seal of the Federal shipping board, equal or fair competition with which is denied to private parties now engaged in this business in the United States.

Mr. GALLINGER. Mr. President—

Mr. HARDING. I yield to the Senator from New Hampshire.

Mr. GALLINGER. This matter of encroachment upon the coastwise shipping of the country interests me very much. I have tried to be a student of this question, and I know, as the Senator from Ohio knows and all Senators know, that the law excluding from our coastwise trade the ships of foreign countries has been on the statute books for 99 years. It is barely possible that before my advent into public life—which was some time ago—there may have been an effort to change that law; but I know of no effort that was made until the 17th day of August, 1914, when the matter came directly before the Senate on a proposition to open the coastwise trade to foreign vessels. We had a vote on the proposition, and it was defeated by a vote of 40 to 20; and I feel sure that the owners of American ships and those who are contributing their money to the construction of American ships until this bill came before the Senate have felt that they were secure against the encroachment of foreign ships in the coastwise trade.

Mr. HARDING. The Senator from New Hampshire is quite right. A protective and upbuilding policy that has been essentially unassailed for 99 years ought to be accepted as the determined policy of the country.

Mr. WADSWORTH. Mr. President—

Mr. HARDING. I yield to the Senator from New York.

Mr. WADSWORTH. The Senator's commentaries on the possibility of the exercise of favoritism in connection with the subleasing or subchartering or second sale, so to speak, of these ships acquired by the Federal board, leads me to ask him if he has ever thought of the possibility of such favoritism operating through the corporation which the board is authorized to organize under the laws of the District of Columbia, the capital stock of which any citizen is permitted to purchase? And has it occurred to the Senator from Ohio that a minority stockholder—as a private citizen must be in that corporation, according to the terms of the bill—might find himself in an advantageous position to secure from the corporation of which he is a bona fide and legitimate stockholder the use of ships under subleases?

Mr. HARDING. Mr. President, I think I touched upon the very subject which the Senator from New York raises in a previous portion of the remarks I am reading. I certainly made reference to the possibilities for extraordinary development on the part of a favored investor in the shipping corporation authorized under the bill.

Mr. CUMMINS. Mr. President—

Mr. HARDING. I yield to the Senator from Iowa.

Mr. CUMMINS. The Senator from Ohio did touch upon it, but it seemed to me that he rather minimized the mischief that might be wrought under it. I think he suggested that the capacity of the corporation for disturbance was limited to the expenditure of \$50,000,000. I suggest to him that it is not so limited. The corporation or series of corporations to be organized under the laws of the District of Columbia may have a capital of \$99,999,999.99. That is the possibility under the provision to which I have referred.

Mr. HARDING. That is quite true.

Mr. CUMMINS. Now, imagine a corporation with a paid-up capital of practically \$100,000,000. The corporation can purchase, charter, lease, or otherwise dispose of all the ships which a capital of \$100,000,000 will permit; that is to say, it can use all the credit which a corporation of that sort, backed by the Government, can secure. There would be no legal liability on the part of the Government beyond the \$50,000,000, but every sensible man who cares to deal with the corporation will know that the moral obligation of the Government is be-

hind it and must make good whatever indebtedness it incurs. Now, I can easily see how that corporation could become the owner, not of \$50,000,000 worth of ships, but the owner immediately of \$500,000,000 worth of ships or a billion dollars' worth of ships, dependent entirely upon the extent of its credit.

Mr. HARDING. The Senator from Iowa is quite right; and it requires no imaginative capacity to understand how a corporation in close intimacy with the shipping board could acquire, as he says, under charter, no less than hundreds of millions of dollars' worth of ships, because the board has the authority to use the credit of the Government and acquire ships and lease them and place them in the hands of subsidiary corporations. There are limitless possibilities. It would be worth some one's while to go into a more detailed statement of the possible things which can be worked out by the scheming management of such a governmental partnership.

Mr. CUMMINS. May I interrupt the Senator just once more?

Mr. HARDING. Certainly.

Mr. CUMMINS. Under a former bill, as I understood it, the corporation could only purchase from the board, but in this bill the corporation can purchase from anybody. It is not required to secure its ships from the shipping board; it can go anywhere in any market and purchase ships to the extent of its credit.

Mr. HARDING. I think that is quite true, but I think wider possibilities are in favor of the operation of a shipping board which may itself purchase and then charter to the subsidiary corporation. Of course, it will be said, which is appropriate to this very thing, that the Federal shipping board will establish rules and regulations, approved by the President, regulating the transaction of the business of buying, building, chartering, or leasing ships—rules and regulations so drawn as to deal fairly as between American citizens and to deal justly with existing owners of ships. Maybe so; maybe not so. It will be an extremely difficult business to establish in a manner that will not permit of injustices and wrongs; and, even if the rules and regulations are as seemingly fair as can be drawn, the ingenuity of man has ever proved equal to securing the weather gauge, especially if it has the advice and counsel of shrewd attorneys. Charges of unfairness, of injustices, of inequalities, of raw deals, of the reverse of square deals, will be made, justly or unjustly, but so plausibly as to create doubt as to the rectitude and honesty of the board, however honest and fair it tries to be. A premium, and a rich premium, will be placed on one class of citizens getting the better of another class of citizens—fair enough, perhaps, in private transactions, but damnable when participated in by the Government.

A veritable Pandora's box is to be opened up through this bill, and no man can tell what will come out of that box to the discredit of the Government, the injury of honest citizens, and the humiliation of the people. It is an uncharted sea of trouble that the Government is about to venture forth upon, and however skillful its pilots, disaster threatens its progress constantly, hidden rocks, unknown reefs, unseen dangers, threatening from every direction.

We have heard fair words that it is not the intention of the Government to enter upon any competition with existing American lines—but all of those good intentions, however praiseworthy, have undoubtedly been found impracticable, and they have been whistled down the wind. On the contrary, and especially in our domestic carrying, the threat is distinctly held over the unfortunate companies, the unfortunate stockholders in the companies, now engaged in our coastwise business that the critical eye of the Government ever is upon them, watching, alertly, for evidence of things that will justify, that plausibly may justify, the establishment of ruinous competition against them.

The lessons of the war have taught the other nations of the world, belligerents as well as neutrals, that the nation is a wise nation which possesses a merchant marine of its own; and if it is a home-built merchant marine, all the better; and if it is commanded, officered, and manned by its own nationals, all the better yet. That is one of the great lessons of this great European war. Nations now possessing a merchant marine of their own forbid the sale of their merchant ships to aliens. Why is this? Because the possession of a merchant marine of its own is a priceless possession. If we could but learn the lesson of self-dependence, which is the only true independence! But no, we must reach out for the foreign-built ship. And why? Because it is cheaper than we can build ourselves—that is all. Not efficiency, but cheapness is the new standard, and we must go abroad for the cheaper ship, and deny ourselves the construction of the better ship. We must forego the building of our ships in home shipyards, because the labor in our shipyards is so much better paid than the labor is paid in any other

shipyards on earth. This whole drive for foreign-built ships is in order to get around, to circumvent, the building of ships in the United States—rather than to allow highly paid American labor to build our ships for us, we must employ the cheaper labor of foreign countries. In the last analysis, our whole mongering with foreign-built ships is merely to deprive American labor of the chance to build merchant ships. Study it to a conclusion, and there is where you are sure to land. You will ruin our shipyards through the extensions of the policy to be inaugurated by this bill that will incessantly be demanded, that will have their inspiration in foreign countries, in foreign shipyards, and in the minds of foreign shipowners, who look longingly and covetously upon the "rich pickings" of the United States.

We shall drive our shipbuilders out of business, out of the business of building merchant ships for ocean navigation. Gradually we are driving them out of the building of our warships by building them in Government shipyards—a policy that is being steadily broadened, the object of which when accomplished will be the building of all of our warships in Government shipyards at the highest prices known—but we will build our merchant ships in foreign shipyards at the cheapest prices known. We shall cease to train men in the arts and sciences of designing and building merchant ships; we shall become wholly dependent upon foreign shipbuilders for the building of ocean-going ships; and we shall never realize the danger of this un-American course until a time arrives—which is sure to arrive—when our dependence upon foreign shipbuilders will be found to be an unstable, an unreliable dependence. But then it may be too late for us to retrieve ourselves.

If we would but declare for American-built merchant ships and none other for the American flag, either in foreign or domestic trade, then we would be upon firm and safe ground. Then we would build up a colossal industry in this country that would make us strong where now we are weak—where the tendencies of this bill will make us still weaker—upon the seas. But the craze for cheapness, which has superseded efficiency, is to be a guiding principle.

As men are turned out of our shipyards and forced into other trades they may realize what the policy here inaugurated has done for them. As yet they do not see. They are blind. But, let me repeat in all seriousness, this whole trend, the whole objective of all this legislation, is to deprive labor in American shipyards of the employment to which it is entitled in the building up of a real, a true, American merchant marine both for our foreign and for our domestic carrying.

Mr. President, I have detained the Senate longer than I had wished already. I had a very interesting experience a year ago last February. I took a trip to the Hawaiian Islands. On the return from the islands I was traveling on an American coastwise ship, the steamship *Sierra*, of the Oceanic Line. I grew into an acquaintance with the captain, Capt. Hudlett, I think was his name, who had been an American skipper from his early boyhood, when he went out from the coast of Massachusetts a mere lad of 14 to climb the mast. One evening, as we were about midway between the islands and the harbor of San Francisco, while chatting at the table in the smoking room, a petty officer brought to the captain a wireless message.

A smile spread over his face, and he handed it to me. The captain said: "Here is a message from my son. He is master on a sister ship, southwesterly bound, and sends me a message of greeting. He is just passing 20 miles away." I thought for a moment of the sentimental side, which was beautiful, and then I read his message. It conveyed the greetings of a son to his father, and after he had expressed his filial affection he turned to business, and he said: "We have a cargo of 2,600 bags of English mail."

That did not mean very much to me, but it was so unusual a thing that I made inquiry. Whereupon the old captain said: "The British Government is sending its urgent mail to Australia by way of the Atlantic, across the American continent, and by our line to the island colonies. This cargo of 2,600 bags pays this ship \$2 per bag, or \$5,200, for this one shipment from San Francisco to Sydney, Australia. That," said Capt. Hudlett, "is more than four times as much for carrying British mail as we receive for carrying the mail of the United States of the same amount. If our Government would pay our ships the liberal compensation for carrying the mails that we secure without difficulty from the British Government, we could double the service of our line across the Pacific and find it a profitable investment."

Mr. President, that to me was a very interesting revelation. I have been interested in this merchant-marine proposition because of the conviction long since acquired that no great nation ever influenced the world until it became a factor in its commerce. The ambassadors of old were the barterers of trade

who opened the way to the development of civilization and the widening of education and the refinements of life.

It has seemed to me what this American Nation should do, the richest Nation on the face of the earth, excelling in production, limitless in its material resources, outranking, to my mind, every other nation in genius, and second to very few in industry, should be first in shipping. I may say, in passing, that this boasted American people has second place in individual industry to the Empire of Japan and the Republic of China. But we are second in industry to no one else. We are first in efficiency to all but one. We have these limitless resources and heretofore we have had the courage of an American policy. I thought that some time there would come a Congress big enough and broad enough to rise above the petty bickerings of so-called favoritism and return to the method or methods that gave this country a great merchant marine.

I have myself been doubtful about but not hostile to the policy of discriminating duties. I only know from the history of the American merchant marine and the story of the upbuilding of the British merchant marine that subsidies and subventions are essential to modern victory, and without which every other nation on earth has failed in maritime achievement.

I do not know, Mr. President and Senators, that I want to confess literally to being a standpatter. I do not know just what a standpatter is in public life. I do in some places. But if one who sometimes elects to go back to an old and efficient method and retain it is a standpatter, then I am going to choose to be one.

I know that the early Americans excelled in the development of an American merchant marine. I know the old American policy of subsidy and subvention in 1855 was a successful one in meeting the oncoming competition and upbuilding of the British merchant marine, and I stand ready to-day and to-morrow and next year and every year during my term of public service to go back to the fostering plan.

I wonder sometimes if our American life is not just a little disturbed by this everlasting seeking after something different. Have you ever stopped to think about it? I am a newspaper man by occupation, and I know the fondness of the men of the press for something different, for a story that has the stamp of novelty or something that is new. You will find the same thing in the magazines. The magazine writer who secures a ready acceptance of his manuscript is one who can offer something new. It is the very nature of human beings, the promotion of the new thing is profitable. It is the old story of the farmer wanting to live in town and the citizen in the city wanting a farm. We are always seeking after something different, and it sometimes leads us astray.

I do not mean to preach the doctrine of paralyzing contentment, but I do mean to say now that one of the disturbing phases of American progress has been the constant desire to forsake the proven thing and try something new. We forsook the subsidy plan; we forsook the discriminating duty; and we destroyed the transoceanic American carrier. I am old-fashioned enough to be willing to go back to it. I should like to vote that way. I have stood here to-day objecting to the pending bill which is to be passed by the caucus dictum of the majority because, in the first place, it will not put a single ship, in my judgment, in the transoceanic trade, and it does put foreign-built ships into the American coastwise trade in which the Americans, at least, under the protective policy, have developed the best merchant marine in the world.

Mr. President, I know that this measure is going to pass. I have not deluded myself with the impression that I have changed anybody's mind on this question, nor have I introduced into the Record all that I might want to say on this subject if I were talking for political purposes alone, but I have done one thing which some day I hope to recall to the attention of this body, and that is, that I have stood here and uttered a warning to-day that the provisions of this bill will admit of the utter disruption and destruction of the American coastwise shipping, which is the one thing in which we Americans have excelled for the last 99 years, and which is one great essential to the successful handling of American domestic commerce.

Mr. RANDELL. Mr. President, I was very much surprised to read in the Washington Post of this morning what purports to be a speech delivered by Mr. Justice Hughes, the candidate of the Republican Party for President. I do not know that he is correctly quoted, but what I say will be based on the assumption that he has been. This article, among other things, states that Mr. Hughes, in a speech delivered at Fargo, N. Dak., on August 10, said:

"The river and harbor bill, known to the people as the pork-barrel bill," Mr. Hughes said, "is largely moneys wasted, as there is no expert examination to determine what expenditures are needed."

"On the contrary, it very largely depends on who are the influential men representing particular districts, and what appropriations are obtained in this district and that district for this man and that man."

"That is a matter of logrolling. It brings the blush of shame to the cheeks of every American. It ought to be stopped. If I am elected President, to the best of my ability I propose to stop it."

Mr. Hughes declared the pork-barrel bill of 1914 was "talked to death by Senator Burton, a fine Republican," and that the 1915 bill was reduced materially because of the opposition of Republicans and some conscientious Democrats.

"This year, just the other day," the nominee continued, "Congress passed a rivers and harbors bill of some \$42,000,000. I confess I don't know why such a measure should receive approval. We have heard a great deal lately of the power of Executive leadership. It has been powerfully exerted. Why can it not be exerted to save the public purse from being looted in the interest of these ridiculous appropriations?"

Mr. President and Senators, if that statement correctly quotes the remarks of Candidate Hughes, I desire to say that I never saw compressed into so small a space a greater number of real misstatements of fact. Why, the idea, Mr. President and Senators, that river and harbor appropriations are made without any "expert examination to determine what expenditures are needed" is ridiculous.

I can not conceive how Mr. Hughes made that statement—a man who has occupied for so many years such a high position as he has, and who is supposed to have kept up with public affairs during his long public career. He must know, it is his duty to know, the facts when he makes a statement of that kind; and certainly anyone who has the least knowledge of the methods of Congress in making appropriations for rivers and harbors, must admit that there are no appropriations of any character more carefully safeguarded than are those for rivers and harbors.

What is the process, Mr. President? It is well known to you all, but I wish to repeat it briefly, in the hope that some of the newspapers which have given so much prominence to the statements of this candidate for the presidency, will give a little notice to my explanation of these charges.

When it is proposed to make an improvement on any river or harbor in this country, the first step is to secure an act of Congress ordering that a survey be made. The Chief of Engineers then sends that order to the local engineer of the place nearest to the spot where the project is to be prosecuted. The local engineer, who is generally a man with the rank of captain or major in the United States Army—a graduate of West Point—makes a preliminary reconnaissance of the project, finds out in a preliminary way everything that he can in regard to it, and reports his findings to the division engineer, who is an officer with the rank of colonel.

The division engineer looks over the report, ascertains anything he can independently in regard to it, and then submits his findings and comments to the Board of Engineers for Rivers and Harbors—a body of seven engineers sitting in the city of Washington—a body composed of seven men belonging to the Engineer Corps of the Army, with the rank of major and colonel, some of them being lieutenant colonels. This board, composed of as able men as there are in the Army, examines the report made by the local engineer and the division engineer. They send their findings to the Chief of Engineers; and not until the Chief of Engineers approves the findings made by this Board of Engineers for Rivers and Harbors is an order issued for the field survey—the final survey.

If the Chief of Engineers disapproves of the findings, the matter stops. If the Chief of Engineers approves the findings, thinking that it is a worthy project, or probably worthy and one that ought to be surveyed, he sends an order to the local engineer to make an elaborate survey. That is done by him. He goes into the field with his regular corps of engineers, and makes a field survey—a physical survey—of the proposed river or harbor or canal or whatever the waterway may be. He ascertains every fact in connection with it, its cost, the present commerce on the waterway, the prospective commerce, the effect it will have on commerce when completed. In fact, everything that in any way bears upon the subject, he ascertains and sends to the division engineer, with his recommendation as to its merit or demerit. The division engineer then sends this report with his findings and his views to the Board of Engineers for Rivers and Harbors, the same board which I have described.

That board goes into a full and complete examination of the reports. It frequently calls for additional testimony; it notifies interested parties that hearings will be held on a certain day in regard to the matter. The parties in interest appear before it, either advocating or opposing the project; and after the most careful examination a report is sent by this Board of Engineers for Rivers and Harbors to the Chief of Engineers, who then sends it to Congress with his favorable or unfavorable report.

Mr. FLETCHER. Mr. President—

Mr. RANDELL. Pardon me one moment. And, Mr. President, not until that project has run the gantlet of these 10

engineers does it have legislative status before the American Congress; not until then is it considered to be before us at all. I now yield to the Senator from Florida.

Mr. FLETCHER. Mr. President, I was going to ask the Senator if in connection with the report and the hearings on a given project, first, the engineer and, subsequently, the board, do not consider also the commercial possibilities involved as to whether the project would be commercially justified and also go into the question of the cost of the project?

Mr. RANDELL. Unquestionably they do. They find out all the facts relating to the cost of the project, the commerce on the stream, both present and prospective, the effect of the improvement upon freight rates, and everything else that will give Congress an intelligent idea of the project.

Mr. SMOOT. Mr. President—

Mr. RANDELL. I yield to the Senator from Utah.

Mr. SMOOT. I do not know whether or not I understood the Senator correctly, and I will ask him if I understood him to say that no project was appropriated for unless it had been approved by the Army engineers?

Mr. RANDELL. I did not say that absolutely. I said a project was not considered to have a legislative status unless it had been approved by the Army engineers; and I will add that in some very exceptional cases projects have been acted upon without such approval. We had one or two very small items in the last river and harbor bill, carrying very small sums, which did not receive the approval of the Army engineers, but more than 98 per cent of the projects in that bill did have the approval of the engineers. The general proposition was stated correctly by me that a project has not legislative status before Congress until it has run the gantlet of survey and examination and received the approval of the Engineer Corps.

Mr. SMOOT. Of course, I know that the practice is always to have a survey, but I also know that appropriations have been made for projects which the Army Engineer Board have condemned. I also know, Mr. President, that appropriations have been made, taking the commerce of the river into consideration, which cost the Government at least \$25 or \$30 for every ton of freight transported. No individual and no corporation would ever put one dollar into a project of that kind. It is simply a waste of money.

Mr. RANDELL. Mr. President, I ask the Senator if he will not enumerate some of those projects? He says he knows of them.

Mr. SMOOT. Mr. President, in order that we may have a number of them—I do not want to intimate that there is only one—and in order to have the figures exact as to what they cost per ton of freight carried, I will send for the list and will see that it is put in the Record following the Senator's remarks.

Mr. RANDELL. I should be very glad if the Senator would put the list in right now and let me know now what the projects are to which he has reference, so that Senators may be informed as to what they are. I am very familiar with this matter, and I think the Senator is mistaken.

Mr. SMOOT. I will say to the Senator that I know I am not mistaken; and I will see that the list goes into the Record.

Mr. RANDELL. I should be very glad if the Senator would put it in the Record.

Now, Mr. President, how can it be said that there is no investigation made of river and harbor projects when this course of examination and survey and investigation to which I have referred is required by law, and is followed in nearly every instance?

Let me read to you exactly what the statute is on that subject. I quote now from the report of the National Waterways Commission, of which former Senator Burton, of Ohio, was chairman. The other members of that commission were Senators J. H. GALLINGER, S. H. PILES, WILLIAM ALDEN SMITH, F. M. SIMMONS, JAMES P. CLARKE, and William Lorimer, and Representatives D. S. Alexander, Frederick C. Stevens, Irving P. Wanger, STEPHEN M. SPARKMAN, and JOHN A. MOON. It would be difficult to have obtained a much abler commission than that. On page 77 of the final report of that commission I find these words, to which I hope the Senator from Utah will listen:

The commission regards the present law, providing for preliminary steps before the adoption of projects for improvement, as well adapted to secure the best results.

That was the statement of some of the colleagues and former colleagues of the Senator from Utah. That utterance was not made especially by Democrats, by men who were trying to make any misstatement, but it was the utterance of that great commission. The report continues:

Under existing statutes it is required that when the improvement of a river or harbor is advocated, before any plan is adopted there should be legislation by Congress in the form of a concurrent resolution or other measure which shall direct that an investigation of the improvement be made.

How does that tally with the statement of the Republican candidate for President?

This investigation contemplates two successive steps—first, a preliminary examination; second, a detailed survey—both of which are made by the Engineer Corps of the United States Army and are reviewed by an organization known as a "board of review," created by the river and harbor act of 1902—

And created when that "fine Republican," ex-Senator Burton, was chairman of the Rivers and Harbors Committee of the House of Representatives—

with the object of securing uniformity in recommendations before projects are adopted and with the thought of bringing to bear upon the proposed improvements under investigation a more elaborate and careful consideration. If on the first, or preliminary, examination the report is unfavorable, no further action is taken without the further order of Congress. The law on this subject is contained in the river and harbor act of March 3, 1909.

The provision in the act referred to follows the quotation I have just made, and I will ask permission to insert it in my remarks without reading.

THE VICE PRESIDENT. Without objection, it is so ordered. The statute referred to is as follows:

In all cases a preliminary examination of the river, harbor, or other proposed improvement mentioned shall first be made, and a report as to the advisability of its improvement shall be submitted, unless a survey or estimate is herein expressly directed. If upon such preliminary examination the proposed improvement is not deemed advisable, no further action shall be taken thereon without the further direction of Congress; but in case the report shall be favorable to such proposed improvement, or that a survey and estimate should be made to determine the advisability of improvement, the Secretary of War is hereby authorized, in his discretion, to cause surveys to be made, and the cost and advisability to be reported to Congress. Such examinations and surveys shall be reviewed by the Board of Engineers for Rivers and Harbors, as provided in section 3 of the river and harbor act of March 2, 1907: *Provided*, That every report submitted to Congress in pursuance of this section, in addition to full information regarding the present and prospective commercial importance of the project covered by the report, and the benefit to commerce likely to result from any proposed plan of improvement, shall contain also such data as it may be practicable to secure regarding (first) the establishment of terminal and transfer facilities, (second) the development and utilization of water power for industrial and commercial purposes, and (third) such other subjects as may be properly connected with such project: *Provided further*, That in the investigation and study of these questions consideration shall be given only to their bearing upon the improvement of navigation and to the possibility and desirability of their being coordinated in a logical and proper manner with improvements for navigation to lessen the cost of such improvements and to compensate the Government for expenditures made in the interest of navigation: *And provided further*, That the investigation and study of these questions as provided herein may, upon review by the Board of Engineers for Rivers and Harbors when called for as now provided by law, be extended to any work of improvement now under way and to any locality the examination and survey of which has heretofore been or may hereafter be authorized by Congress.

MR. RANDELL. Continuing the quotation from the report of the National Waterways Commission, they say:

Under the foregoing plan, if the final report is favorable, it is considered that a basis exists for the making of an appropriation for the proposed improvements. The recommendations of the engineer officers are not necessarily final, though since the passage of the law the rule has been adhered to as a fixed policy that no project should be undertaken by the Government or appropriated for which does not have the recommendations of the board of review and the Chief of Engineers.

Yet this candidate of the Republican Party for President says that these great expenditures are made without any investigation; and here is a man, whom he lauded in that same speech as a "fine Republican," stating in his report of four years ago that no project should be undertaken by the Government or appropriated for which does not have the recommendation of the board of review and Chief of Engineers.

Where did Mr. Candidate Hughes get his information on this subject, I should like to know? He did not get it from the law. He did not get it from the facts in regard to the river and harbor bill signed a few days ago. Let me give you a few facts in regard to that bill.

I hold in my hand a letter from the Secretary of War, addressed to the President of the United States, dated July 24, 1916, in which he says:

MY DEAR MR. PRESIDENT: I return to you herewith the river and harbor bill, which I have gone over with great care and upon which I hand you a report made by the Chief of Engineers with certain attached memoranda. The net result of this examination is to show that in this bill, carrying \$42,886,085, \$611,200, or about 1½ per cent, is, in the judgment of the Engineer Department of the War Department, regarded as economically indefensible, although in the case of some of these expenditures the improvements are probably not primarily for navigation purposes.

I concur in the view expressed by Gen. Black that the direct loss to the United States as a result of suspension of work, were this bill not to receive your approval, would be greater than the amount appropriated for improvements of a doubtful value; that is to say, upon all the great river and harbor projects of the country, if work were suspended, there would be loss due to the breaking up of existing organizations, the care of idle plants, etc., which would be very serious. Should this bill receive your approval, the department would have so much work on its hands that it would probably be obliged to delay some por-

tion of it, and, of course, in selecting that to be delayed, the work of doubtful economic importance would be postponed, so that the entire \$611,200 marked as questionable would probably not be expended in any event.

Respectfully submitted.

NEWTON D. BAKER.

Accompanying that letter of the Secretary of War is a letter addressed to him from Gen. William M. Black, Chief of Engineers, from which I read:

JULY 24, 1916.

From: The Chief of Engineers, United States Army.

To: The Secretary of War.

Subject: Report on pending river and harbor bill.

1. In compliance with your verbal instructions, the following report on the pending river and harbor bill is submitted:

2. For the past 8 or 10 years Congress has, in general, followed the policy of adopting no new projects except such as were favorably recommended by the Chief of Engineers. The recommendations of the Chief of Engineers are, in each case, based upon a careful examination and survey to determine the nature and cost of the improvement to be undertaken and a full study of the probable benefits to be derived. The study is such as would be made by a careful business firm to determine whether it would undertake a new business venture.

I hope these words of the Chief of Engineers are being listened to by those Senators who have any doubt as to the painstaking care which precedes all appropriations for rivers and harbors.

The study is made by the district officer and reviewed by the division engineer and the Board of Engineers for Rivers and Harbors before being acted on by the Chief of Engineers.

3. Prior to the time mentioned above, Congress adopted many projects which had not been subjected to such a careful study and which were not recommended by the Chief of Engineers.

The time referred to above was 8 or 10 years ago. Prior to that time, he says, Congress adopted projects which had not been recommended.

As a rule it is certain of these projects which have been subject to recent attacks. To determine whether the attacks were justified a proviso was inserted in the river and harbor act approved March 4, 1915, directing a reexamination of all existing river and harbor improvements to determine which, if any, of them should be modified or abandoned. The results to date of this reexamination are set forth in brief in memorandum No. 1 herewith. Owing to lack of time the reports on these recommendations could not, with few exceptions, be made available for the consideration of Congress in connection with the pending river and harbor bill.

4. An examination of the bill shows that it contains certain items which were not included in the annual estimates of the Engineer Department, or which were included for a less amount than the bill provides. Memorandum No. 2, inclosed, cites these items in detail, and shows that, without exception, the added items and the increased amounts were introduced into the bill on recommendation of the Chief of Engineers based upon facts that came to light after the annual estimates had been submitted. There are also many items for which a less amount is provided than called for by the annual estimates. No discussion of them is deemed necessary.

5. Memorandum No. 3, inclosed, gives a list of all the items in the bill which may be classed as of doubtful value to the interests of navigation when subjected to the tests usually applied by the department. A final analysis shows that, of the total \$42,886,085 carried by the bill, \$611,200 (about 1½ per cent) is not economically defensible in the judgment of the Engineer Department for navigation purposes, however meritorious it may be for other purposes.

6. To conclude, the items in the bill which can be justly condemned are few and the amount provided for them is small, as compared to the loss to the commercial interests of the country that would result from the failure to enact a river and harbor bill. Moreover, the direct loss to the United States as a result of suspension of work and care of idle plant pertaining to improvements of unquestioned merit would, as shown by the experience of 1914—

The experience brought about when this "fine Republican," Senator Burton, filibustered a river and harbor bill to death—

in less than three months amount to more than is provided for the doubtful items.

7. It is recommended, therefore, that the bill be approved by the President.

W. M. BLACK,

Chief of Engineers, United States Army.

This letter is dated July 24, 1916.

Mr. President, the Chief of Engineers of the Army—a man with the rank of brigadier general, one of the honor men of West Point, a man who will retire with a pension for life at the age of 64—sends that report to the Secretary of War; and in it he says that only \$611,000—only 1½ per cent of the forty-two million eight hundred and odd thousand dollars carried by that bill—is even of questionable merit; and yet the Senator from Utah [Mr. SMOOT] said a few days ago, when discussing that bill, that he was certain that 33½ per cent of the items in it were utterly worthless, or words to that effect. I forget his exact words.

Mr. SMOOT. I think it was more than that.

Mr. RANDELL. Probably it was more. I should like to have the Senator's present opinion. I do not doubt that he is much wiser on river and harbor matters than the Chief of Engineers of the Army.

Mr. UNDERWOOD. Mr. President, will the Senator permit me to ask him a question?

Mr. RANDELL. I shall be delighted to have the Senator do so.

Mr. UNDERWOOD. A great many of these contracts go through a period of years, and the appropriation in each year's bill is to pay for contracts that have been made in the past. How many of the contracts under this bill that is being criticized were made under Republican administrations and how many of them were made under the present administration?

Mr. RANDELL. When the Senator says "contracts" I do not know that I can tell him, but if he asks me what projects were undertaken—and I think that is what he means—

Mr. UNDERWOOD. That is what I mean; not contracts, but when the project was begun and undertaken.

Mr. RANDELL. In the river and harbor bill signed a few days ago there were 280 items. Most of those items have been on the books for years, and 210 of them were in the "perfect" bill passed by Theodore E. Burton in 1907—the bill which he himself says was the most perfect piece of river and harbor legislation ever enacted.

Mr. O'GORMAN. Eighty per cent.

Mr. RANDELL. Nearly all of them—more than 80 per cent—have been on the books for years and years, projects undertaken under a Republican régime, and necessary for us to carry forward now in order to preserve the commerce of the country.

Mr. UNDERWOOD. There were 280 items in the bill?

Mr. RANDELL. As I understand; yes, sir.

Mr. UNDERWOOD. And 210 of them were included in the bill that was passed by Senator Burton when chairman of the committee in 1907?

Mr. RANDELL. Yes, and more. More than 210 came over from the Republican régime; but I am speaking about 210 of them having been in the great piece of legislation which the Senator from Alabama doubtless heard Senator Burton describe with gusto so often, that piece of legislation which was never excelled by anything done by the American Congress, according to Mr. Burton, and which was passed just before the close of his term in the House in 1907, which carried about \$86,000,000; and 210 of these items were in that bill.

Mr. UNDERWOOD. How many more items were there, outside of the 210? Can the Senator inform me?

Mr. RANDELL. I can not inform the Senator as to that, but a small number of them. We took on very few new items, and let me tell the Senator why. The Committee on Commerce in 1914 prepared a very fine river and harbor bill and attempted to pass it. It was filibustered to death by Senator Burton and several other Senators on the other side of the Chamber who aided him—largely by him. That bill included a number of very necessary new projects, in one of which my friend the Senator from Connecticut [Mr. BRANDEGEE] was intensely interested—the project at New London, which was most worthy and was included in the last bill.

This New London project, along with a number of other very meritorious projects, died a natural death when the bill of 1914 was filibustered to death, and we were obliged to accept a \$20,000,000 lump-sum appropriation. The same thing happened with the bill of 1915. That also had a number of worthy new projects which we sought to include in the bill, but it, too, was talked to death by Senator Burton and some of his associates. It was finally passed as a lump-sum appropriation of \$25,000,000.

The Senator from Alabama understands, I know, because he is well posted on all subjects, that when there is a lump-sum appropriation you can not spend anything on a new project. You can only expend money on existing projects—projects that have been previously adopted by Congress. The object of the lump-sum appropriation is to maintain the status quo and to keep those works going on to some extent.

Mr. UNDERWOOD. Then, as I understand the Senator, up to the bill that was passed this year all of the appropriations that have been expended by this administration have been these lump-sum appropriations, and the only expenditures made by this administration were to carry out projects adopted under Republican administrations?

Mr. RANDELL. That is absolutely true, and we took on not more than 14 new projects in the bill signed a few days ago. So that practically all of the items in this bill are those which were in course of improvement under Republican administrations.

Mr. UNDERWOOD. All except about 14?

Mr. RANDELL. All except 14.

Mr. UNDERWOOD. How much of an expenditure is entailed by the 14 new projects provided for in this bill?

Mr. RANDELL. I can not tell the Senator exactly. I think it is between two and three million dollars. There was one in which the Senator from Connecticut [Mr. BRANDEGEE] was interested. I believe that was \$170,000. There was one

of \$220,000, if I mistake not, at San Diego, Cal. There was another: one at Los Angeles of \$500,000, and there was one at the mouth of the Mississippi—not a new project, but it was for carrying on some work rendered necessary by the awful storm of two or three years ago—that amounted to \$400,000. The total of the new projects was \$2,633,675.

Mr. UNDERWOOD. The total amount of this appropriation was \$44,000,000?

Mr. RANDELL. \$42,886,085.

Mr. UNDERWOOD. And in the neighborhood of \$40,000,000 of that was expended on projects that had been adopted by Republican administrations?

Mr. RANDELL. That is true. That is entirely true, and I thank the Senator for his suggestion with regard to that.

As to the matter of extravagance, referred to in these remarks of the Republican candidate for President, I should like to show here, right in this connection, that during the régime of President Taft there was expended for rivers and harbors in 1911, \$49,380,541; in 1912, \$30,883,419; in 1913, \$41,250,620; and for the fiscal year ending June 30, 1914, the appropriations having been made under Mr. Taft, \$51,118,889; a total of \$172,642,469 for river and harbor work during the four years of Mr. Taft, an average of \$43,160,617 a year.

During the three years of President Wilson's administration there were expended the following sums: In the fiscal year ending June 30, 1915, \$26,988,500; the next year, \$33,982,000; and for the current year, \$42,886,085, a total for the three years of Mr. Wilson's administration of \$103,856,585, or an average for the three years of \$34,618,861, as against an average under Mr. Taft for the previous four years of \$43,160,617.

In other words, the Republicans were spending money a great deal faster than it has been spent under this administration, though I am frank to say that if the two bills for 1914 and 1915—which were wise and good bills—had not been filibustered to death by the man who for 10 years was chairman of the Rivers and Harbors Committee of the House, we probably would have spent in proportion under this administration about the same that was spent under Mr. Taft.

Mr. UNDERWOOD. Then, the practical proposition is that all the money that has been spent in the last 20 years on river and harbor work has been spent on projects that have been adopted by the Republican Party?

Mr. RANDELL. That is entirely true. No money, let me say, has been spent on projects adopted by the Democratic Party, because we were not in power. We did not have a chance. The first bill we ever had a chance to pass which took in any new projects whatsoever was the bill signed a few days ago, and, as the Senator knows, nothing has been spent under that bill yet.

Mr. UNDERWOOD. Mr. Hughes's criticism of the river and harbor bill, then, is merely an indictment of the Republican Party.

Mr. RANDELL. Unquestionably; nothing but an indictment of it.

I should like to read just a few words from the gentleman who seems to be Mr. Hughes's mentor, Mr. Burton. Mr. Theodore E. Burton was chairman of the Rivers and Harbors Committee of the House of Representatives, and many a time have you, Senator UNDERWOOD, heard him say on the floor of the House that he dared anybody to knock a river and harbor button off his shoulder; that he would not stand for it at all. He was the most pugnacious man in those days that I ever saw in regard to river and harbor appropriations, and their great champion. I gloried in him then because in my humble way I was doing what I could in the same line.

Shortly after Mr. Burton ceased to be a Member of the House of Representatives he made an address before the National Rivers and Harbors Congress in this city, in December, 1900, which appears on page 106 of the record of that meeting. He said:

My friends, the president of this congress will say to you that we have known no North, no South, no East, no West in the years we have been together.

I may say truthfully this statement is correct, for I had the honor of being the president of that congress. It was true that we never knew partisanship in the Rivers and Harbors Committee of the House of Representatives during the 10 years of Theodore Burton's chairmanship. I will pay that tribute; it is a deserved one, and I am glad to do so.

We have taken up projects according to the measure of their merit, and I can vouch that members of the committee in many instances have leaned over backward where their own localities were involved, and have given closer attention to projects in other places. * * * You have had to meet the idea that there is a pork barrel somewhere.

Please listen to this sentence—

a pork barrel somewhere. Whenever there is a man of superficial information on this subject—

I wonder if Candidate Hughes has "superficial information on this subject." This is Theodore Burton talking now; not RANSDELL, but Burton:

Whenever there is a man of superficial information on this subject or one who has had some project that has been turned down—

I imagine that would fit some folks who have criticized the bill during the present session of Congress—and I could name them if I wanted to—because of some project that had been turned down—

and turned down hard, because it had to be turned down, that man begins to talk about the pork barrel. There has been no line of appropriations made by this Government more carefully guarded than appropriations for rivers and harbors.

I hope the Senator from Utah is listening. This was Theodore Burton who said that there were no more carefully guarded appropriations by this Government than appropriations for rivers and harbors.

I challenge anyone to cite an instance where that bill has ever been made up to gratify certain localities or to advance the interests of some Member of Congress in the House or Senate.

Yet Candidate Hughes says there was "logrolling" on this bill, and the supposition is that former candidate Burton was his mentor, because we all know that until Mr. Burton became a candidate for the Presidency of the United States he was a good friend of river and harbor appropriations, and it was only when the presidential bee began buzzing in his bonnet and he came to this side of the Capitol that he started to fight river and harbor appropriations. He is not the only man who had that bee buzzing in his bonnet who has been fighting river and harbor appropriations for the past few years. All who are within the sound of my voice know that we could name five or six others who had the same bee buzzing in their bonnets.

Now, whom are we to believe? Will we believe the former great chairman of the Rivers and Harbors Committee, the man who made a study of this subject for years, the man who was familiar with every detail of it, the man who was speaking at a time not suspicious, when he had no ax to grind, when he had no votes to seek—will we believe Theodore Burton, talking in 1909, when he says:

I challenge anyone to cite an instance where that bill has ever been made up to gratify certain localities or to advance the interests of some Member of Congress in the House or Senate.

Will we believe him when he said that, or will we believe Candidate Hughes, who is trying to get votes now by maligning river and harbor appropriations?

Mr. Burton said this also:

There has been no logrolling, no pork barrel, no regard for individual prospects or anything of the sort; no regard for any particular locality in the country.

That is what he said, and, Senators, he spoke the truth. I appeal to the splendid man, now listening to me, who for years and years has been on the Commerce Committee of the Senate. I appeal to the Senator from Virginia [Mr. MARTIN] who has been a member of that committee for a long time. Have you ever known of any logrolling in favor of a river and harbor bill? If you have, I ask you to please get up here and let us know. Have we not been fair in making those appropriations? I should like to have a reply, Senator, if you will give it.

Mr. MARTIN of Virginia. Mr. President, I might be misunderstood if I failed to respond to the call made by the Senator from Louisiana. I will therefore say, without hesitation, that any imputation against the fidelity and impartiality of the Committee on Commerce of the Senate is nothing but a cheap slander, it matters not whether it comes from a presidential candidate or from a disappointed aspirant for office.

I say that the Committee on Commerce of the Senate has been as faithful and as just and as impartial as any tribunal that ever considered a public question. In my long service on that committee I have never heard a suggestion made by one member of the committee to another that he should vote for a project in consideration of some one voting for a project of his. Every member of that committee would scorn a suggestion of that sort. I do not believe that a vote has ever been cast in that committee except in a conscientious way and in the interest of the public service.

Mr. RANSDELL. I thank the Senator for that statement. He has told the absolute truth. I thank Heaven there is also present another Senator who was for I do not know how many years, certainly for 15 or 20 before he came to the Senate, on the Rivers and Harbors Committee of the House. I ask Senator BANKHEAD if he will tell us whether he knows of this logrolling? Senator BANKHEAD, I know you do not like to talk, but please let us have your impression about that. Senator BANKHEAD did not know I was going to call on him; neither did I. Senator, I hope you will tell us what you know about this slanderous charge.

Mr. BANKHEAD. Mr. President, it hardly seems necessary, it appears to me, that Senators should be refuting a charge like that coming from a presidential candidate. It is true that I served upon the Committee on Rivers and Harbors in the House for a number of years, and I have served upon the Committee on Commerce of the Senate.

I have never heard a charge made by anybody, except some cheap politician perhaps, that there has been any improper conduct or anything done in that committee that was not proper or right and in the interest of the general public. I have never seen in that committee in the House or in the Senate any evidence whatever of sectional feeling. Questions of that kind never entered into the consideration of measures before the committee. I will say this with perfect candor and frankness; and if it is worth anything, I am glad to have said it.

Mr. RANSDELL. I thank the Senator for that candid statement. Now, Mr. President—

Mr. BRANDEGEE. Mr. President, I see the Senator from Florida [Mr. FLETCHER] in his seat. He is a member of that committee. I think he ought to be put upon the stand.

Mr. RANSDELL. I would be delighted to have the Senator from Connecticut give me his experience.

Mr. WEEKS. I was going to ask the Senator from Louisiana if he intended to call on any Republican Senators to testify.

Mr. RANSDELL. If there are any members of the committee on the floor I would be delighted. Do you see Senator NELSON, or some member of the committee? Senator NELSON has been on the committee for years. I would be delighted to call on him. I would like to have the experience of the Senator from Massachusetts. How much logrolling have you known, Senator WEEKS?

Mr. BRANDEGEE. I think the granting of a certificate of character to each other ought to be confined to the Democratic membership.

Mr. RANSDELL. I beg pardon.

Mr. BRANDEGEE. I hope the Senator will confine the operation of granting certificates of character to his own side of the Chamber.

Mr. RANSDELL. I would be delighted to have Republican testimony. I glanced over there but did not see a single man who had been on either the Rivers and Harbors Committee of the House or the Commerce Committee of the Senate. If I had, I would have called on him. I would like to hear from the Senator from Florida. I would be delighted if you would give me your testimonial in this matter, Senator FLETCHER. You have been on the Commerce Committee for many, many years. Is this a truthful or a slanderous statement?

Mr. FLETCHER. Mr. President, I can not be said to have been on the committee for many, many years. I have been on the Commerce Committee since I came to the Senate, but that has not been so many years. However, I felt great interest in the question of river and harbor improvement before I ever came to the Senate. I made a considerable study of it, particularly with reference to the authority and power of Congress in dealing with the question. I have never seen anything in the Senate, in the Commerce Committee or elsewhere, which indicated to me that the committee or Congress was disposed to waste public money in reference to these improvements. The committee and the Senate, so far as I have ever been able to observe, realized that under the Constitution the care and maintenance of these great public highways devolved upon the Federal Government. In the case of Gibbons against Ogden the proposition was pretty well settled that the navigable streams of the country are subject to Federal control. If they are subject to Federal control, then the Federal Government ought to improve them in the interest of navigation where the improvement is needed, where the commerce would justify that improvement.

That is the spirit I have observed back of these appropriations. In pursuance of the obligation resting upon the committee and upon the Senate, under that power and that authority and that duty, they have acted on these river and harbor bills. I have never observed that it was a question you vote for me and I will vote for you, you tickle me and I will tickle you, a question of logrolling, or anything of that sort.

It has seemed to me that the system which has been adopted, which the Senator from Louisiana has so clearly outlined here, requiring that the projects shall be passed upon by the district engineer, the division engineer, the Board of Engineers, and the Chief of Engineers, and shall be transmitted to Congress by the Secretary of War, is about the safest and best system that we could adopt. I have been unable to study out or devise any safer or sounder or better plan than we have now in operation. It may be that it is possible to do so; I do not know; but it seems to me that these appropriations are safeguarded

with more care and under a better system than any other appropriation I know of made by Congress.

Mr. RANDELL. I was going to ask the Senator if he knew of any other appropriations safeguarded half as carefully as those for rivers and harbors?

Mr. FLETCHER. I do not.

Mr. RANDELL. Does any one else want to say anything? This seems to be an experience meeting.

Mr. SHEPPARD. Mr. President, I wish to suggest to the Senator from Louisiana that the Senator from Connecticut [Mr. BRANDEGEE] obtained quite a large appropriation in the last river and harbor bill, in fact, one of the few new projects that were incorporated in the bill. I know he would gladly testify that there was no logrolling connected with the securing of that item. I should like to ask for his testimonial on that question.

Mr. RANDELL. I would be very glad to hear from the Senator from Connecticut if he wishes to say anything. If he does not, I do not care to press him.

Mr. BRANDEGEE. I will say that the exceedingly moderate amount that was awarded to my State in that bill was more than deserved. Not half enough was given to my State, and a part of what was given by the Senate was thrown out, I believe, in conference. I will say, also, that if a large number of the items had been as much justified as that one for my State the bill would have been a greatly better bill than it was.

Mr. HARDING. Mr. President—

The PRESIDING OFFICER (Mr. HOLLIS in the Chair). Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. RANDELL. I shall be very glad to do so.

Mr. HARDING. Do I understand that this is to be an experience meeting?

Mr. RANDELL. It can be turned into that. If the Senator wishes to say something I will be glad to yield to him.

Mr. HARDING. Mr. President, I have no desire to inject some unkindly remark in this debate, but since this is a testimonial of the old-fashioned Methodist kind, I may say the first conversation I heard in the Commerce Committee, without reciting names, which would hardly be courteous, the conversation ran very much like this: "That is all the Senator asks; he ought to have that." And "he has not asked for anything except this; we ought to give it to him." "Yes; he is asking about \$150,000, but that is all he asks; I think he ought to have it." That is my first experience.

Mr. RANDELL. I should like to ask the Senator if these were not thoroughly reasonable requests backed up by favorable reports from the United States engineers?

Mr. HARDING. I will not dispute that statement, if the Senator please; but it struck me as the most genial kind of logrolling I had heard in a long while.

Mr. RANDELL. You may call it logrolling, but I can not see any logrolling in it when the project was a worthy one, approved by the engineers, and the Senator was making only one request. Bear in mind there are projects pending before Congress calling for appropriations to the amount of over \$300,000,000, and that we can not spend it all at once. I remember, if I mistake not, that that remark was made about the Senator from Connecticut [Mr. BRANDEGEE]. He came there and submitted with great force a most worthy project. There was not a more worthy project in America than the one he presented. We would have given it unquestionably but for the fact that this Democratic administration was trying to hold down appropriations, trying to be economical, trying not to have any new projects on the bill; and when Senator BRANDEGEE stated his case so strongly, I think the very conversation occurred which is alluded to by the Senator from Ohio; and if that project for New London is not a worthy one, if it is not going to pay two or three times to the American people in the saving of freight, in building up a great harbor, for every dollar expended by the Government, then I do not know anything about commercial propositions.

Mr. BRANDEGEE. I will say to the Senator the grievance I had was that they had adopted a rule by which they were excluding meritorious projects because they were new and were including undeserving projects because they had been in the bill before.

Mr. RANDELL. And had been put in the bill, I may say, by the Republican Congress in past years.

Mr. BRANDEGEE. I think both parties really are responsible in the past for a great many bad things that have gone in.

Mr. RANDELL. I do not believe that any were really bad, but the Senator's party was responsible for most of them.

Mr. BRANDEGEE. I have my doubt about that.

Mr. RANDELL. I do not want to hold Senator Burton responsible for the great Ohio River project. That I think was started in 1875 and it ran along in the most desultory and un-

businesslike way until 1910, and during 10 years of this time Mr. Burton had been chairman of the Rivers and Harbors Committee. In 1910, at the end of 35 years, they had not finished a fourth of it. And yet Mr. Burton had been the chairman of the Rivers and Harbors Committee for 10 years. Not until 1910 was that project taken on in a businesslike way by Col. De Alva Stanwood Alexander, of New York, the then chairman, when we adopted it and said it was a good project; that we ought to have 9 feet of water from Pittsburgh to Cairo; that there was a great commerce on the river, and though it would cost \$63,000,000, it was worth it; and it was a shame that Congress had neglected that great river for so long. It was a shame, Mr. President and Senators, that we had not taken it up in a businesslike way before 1910.

I do not charge Mr. Burton with responsibility for that. I place it where it belongs, with Mr. Alexander, of New York, who was also a Republican and one of the best acts of his career was the adoption of the 9-foot project for the Ohio. I now yield to the Senator from Ohio.

Mr. HARDING. Mr. President, I think I owe it to my distinguished predecessor to say that his sins bore so heavily upon him that he became penitent and has had a complete change of heart.

Mr. RANDELL. Yes; when he got the presidential bee buzzing in his bonnet he got a change of heart like some other people; several got a change of heart, and Senator Burton got it good.

I tell you, Senators, it is very strange when a man will say what Senator Burton said in 1909, and then take the position he has recently assumed. The present Senator from Ohio [Mr. HARDING] did not hear it, and I am not going to read it again; but I am going to ask him to read my speech, and I am going to ask him to read the speech which Senator Burton made before the Rivers and Harbors Congress in December, 1909. That was only a few years ago. What caused his change of heart? Has there been any change in the system? He was 10 years chairman of the Rivers and Harbors Committee. We followed then the system which we follow now; we have not changed in one jot or one tittle. Has he changed his heart since 1912? In 1909 he was made chairman of the National Waterways Commission. I hold in my hand the final report of that commission made in 1912. I have given the membership of that commission. Several eminent Senators, now in this body, were members of it; several eminent Members of the House were members of it. The duty imposed upon that commission by statute was to investigate the questions pertaining to water transportation and the improvement of waterways and to make recommendations to Congress. Senator Burton was the chairman. Here is one of the recommendations which he made. He says, on page 58, in the final report of that commission:

The commission would advise that without a careful and unbiased examination of proposed improvements of the nature now required by statute no project should be adopted by Congress.

On the previous page he had told us how that was done by the engineers, as I have outlined. He had published the statute in full. Going on, he says:

Numerous propositions have been made for the creation of a board of public works, or other body, which shall decide upon the feasibility and desirability of propositions for expenditures on rivers and harbors. The commission—

That is, in the National Waterways Commission—

is unwilling to recommend a change of this kind, and points to the fact that the past recommendations of the Engineer Corps have been carefully prepared and with a degree of expert knowledge and comprehension of the commercial needs of the country, which could not well be supplied by any other body or organization.

When did this man suffer the change of heart? He sent in that report in 1912. Have we made any change in the legislation since then? If so, will not the Senator from Ohio point out the change that caused the change of heart on the part of Senator Burton?

The advantages which attach to the Engineer Corps are obvious. The members are in the permanent service of the Government, and are free from those influences which would inevitably be brought to bear upon men in civil life.

The Senator from Ohio doubtless knows how we select the men in the Engineer Corps. They are the 10 honor men of West Point; they are appointed from all over the United States; they are the truest democracy of our land when they enter that academy. They go out with the honors of the academy upon them, for none but the honor men are placed in the Engineer Corps.

At the age of 64 they are retired with a pension for life. They rarely ever are assigned to localities where they have any interest, and they are never allowed to stay more than three years in one place. If there be an independent body of men, a disinterested body, I say to the Senate that it is the Engineer Corps of the Army. It would be impossible to devise

any plan that would give greater safeguards and balances to any system of making appropriations than is furnished by the reports of these 10 engineers—first, the local engineer; second, the division engineer; third, the seven engineers of the Board for Rivers and Harbors; and, fourth, the Chief of Engineers—10 in all.

Those engineers now engaged in the work are carefully trained in the planning and execution of these improvements, and have special qualifications for judging the feasibility and the cost of proposed river and harbor projects. They also have a good general knowledge of the probable commercial results which would accrue, though on this point their opinions have not been regarded as conclusive.

That is, conclusive on the commercial aspects.

In this connection the commission would call attention to the necessity for an increase in the membership of the Engineer Corps.

Mr. President, that is what Senator Burton and his commission said about this Engineer Corps. I do not see how it can be possible to devise a better system.

On the 14th of September, 1914, I made a few remarks in the Senate on the pending river and harbor bill, and I wish very briefly to quote from that speech, because it is apropos of the questions now before us, and I hope Senators will give me a patient hearing.

I then spoke as follows:

Mr. RANDELL. Let me make the statement and then I will yield to the Senator. Only the honor men—I understand it to be the 10 honor men—of West Point are eligible to entrance into the Engineer Corps. For years, in fact, from our earliest history, our river and harbor work has been in charge of the Engineer Corps of the Army. They have expended \$791,843,740 on river and harbor work. Did any of it stick to their hands? None, so far as I know, except possibly in the one case of Capt. Carter at Savannah. Can any branch of our Government show a more honorable record than that of the Engineer Corps of the Army, who, during the long years of our national life have expended on these great works nearly \$800,000,000 with but one single solitary scandal in their ranks? Can even our judiciary show such a record as that? Have we not had a great many impeachments among our judges? Have we not had scandals in every branch of our national life? Have we not occasionally been compelled to expel men from the Senate and the House? Beyond question, yes; and these faithful, able public servants—the Engineer Corps of our Army—have expended nearly \$800,000,000 on river and harbor works with but one single, solitary scandal!

In a moment I will yield to the Senator from Ohio. Some of the best names in our history belong to the Engineer Corps. Meade and Lee, who fought at Gettysburg against each other, were members of the Engineer Corps. They were the leaders of 40 members of that corps who attained commanding rank in the War between the States. Some of the greatest generals on both sides were engineer officers. I might mention Joe Johnston, McPherson, Beauregard, and Wright, and many others whose names are emblazoned on the pages of our Nation's history. Coming nearer to the present time, where did Goethals, the builder of the Panama Canal, and his able lieutenants—Sibert, Gallard, and Hodges—get the training and experience which enabled them successfully to construct the greatest engineering feat of all the ages? They got it, Mr. President and Senators, in the river and harbor works with which they were associated before being assigned to duty on the Panama Canal. They were on these river and harbor works, scattered all over this country, and there they got the wonderful training, the great experience, the marvelous executive ability necessary to make a success of this great project.

Would any American intimate for an instant that Goethals would have favored a project in which there was "graft" and "pork"?

And yet, Senators, Col. Goethals, as he then was, or Gen. Goethals, as he now is, was employed on river and harbor work in different parts of the country for years before he went to Panama.

I should like to see the man who would make that suggestion about Goethals or Sibert, or Gallard, or Hodges. Yet these men were connected with various and sundry river and harbor projects. These men, let me repeat, learned how to build the Panama Canal on river and harbor works. The supposition that these canal builders or a majority of the 10 engineers of the corps who act on each project would yield to improper influence is preposterous. They have done the best they could. They have followed out the system laid down for them. I believe it is a good system, and I will show in a few moments that it has the approval of the Senator from Ohio [Mr. Burton], to whom I now yield.

Mr. President, the statement of the Republican candidate for President of the United States is that no investigations are made. Well, I should like to know, if there are no investigations, what these three big books which I hold in my hand [exhibiting] are. These books constitute the report of the engineers on the river and harbor projects of this country for just one year. Here [exhibiting] are the volumes, and I hope Senators will look at them. They are entitled "Report of the Chief of Engineers of the United States Army for 1915, Parts 1, 2, and 3." Now, where did they get the information to make the reports contained in these three big volumes if they did not make investigations, if they did not make studies, if they did not make surveys? Ah, where did the Republican candidate for President get such incorrect information, or rather misinformation?

Mr. President, there is a big project now interesting many people in the middle section of our country, namely, the project for the improvement of the Missouri River. The former Senator from Ohio, Mr. Burton, was very much opposed to that project, and was responsible for an order requiring an addi-

tional survey of it. That survey was made in the most elaborate manner. After the local engineer had investigated it in detail and had reported to the division engineer, a great board of engineers, composed of many of the ablest officers in the Engineer Corps, went to the locality and made an examination of the project. I hold in my hand the report of that board. It contains 303 pages, and is Senate Document No. 463, Sixty-fourth Congress, first session. If anyone thinks there was no investigation of the Missouri River before that board reported on the project, I wish he would examine this report. This is no star-chamber document, either; it is a Senate document; it is a document which all Senators can get and which all are expected to get, and which is published for the use of the Senate. It contains page after page of testimony taken in regard to that project. It contains a discussion of the engineering features, of the commercial features, and of the thousand and one things connected with that great project for improving the Missouri River from Kansas City to its mouth, and the report, after a most elaborate study, is favorable in the extreme.

Now, do you mean to tell me that these great engineers did not state the truth; that they did not find the facts; that they did not make a real examination? Ah, Senators, no one can believe any such thing as that.

All this talk about "pork" is absolutely false and unreasonable. I want to ask every Senator within the sound of my voice to tell me whether there is any "pork" in the projects in his neighborhood. I pause for an answer. Do you know of any pork, Mr. Senator, in the projects undertaken in the neighborhood where you live? The "pork" is always in the State of some one else, in the district of some one else, away off yonder somewhere; it is never where you live. If any Senator can cite me an instance of "pork" in his own locality in connection with a river or harbor improvement, I should like to have him do so. I pause for an answer. [A pause.]

Mr. LEWIS. Mr. President, I think the Senator from Louisiana ought also to pause to notice that from the crowded Republican side, with every seat occupied at this important hour, and the equally crowded Democratic side, with every seat occupied, there is no response in opposition to his query, and no one making accusations along the line of the previous indictment.

Mr. SMOOT. Mr. President, I did not quite hear what the Senator said, but if I caught his words—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Utah?

Mr. RANDELL. I yield to the Senator from Utah.

Mr. SMOOT. If I caught the words of the Senator from Illinois, he said that every seat on the Republican side was occupied and that every seat on the Democratic side was occupied.

Mr. LEWIS. I said the able Senator from Louisiana would probably observe how every seat on the Republican side and every seat on the Democratic side was occupied during this particularly important discussion, involving so much to the interest and welfare of our country.

Mr. SMOOT. The Senator would have been nearly right if instead of "occupied" he had said "unoccupied."

Mr. LEWIS. The observation made, I am sure, carried its meaning to the able Senator from Louisiana.

Mr. RANDELL. Mr. President, I do not wish to hold the Senate very much longer, but I can not refrain from saying just a few words about a certain phase of river and harbor legislation that has impressed me very forcibly. I do not know how the Republican candidate for President feels about it, but I know how the critics of the last river and harbor bill felt about the appropriations for harbors. There was not a single criticism here. The Senator from Ohio [Mr. HARDING], whom I see in his seat, said that he would gladly give \$50,000,000 in the river and harbor bill for harbors. Of course plenty of people would give all that the harbors need. I would do so.

I never have failed to vote for a harbor improvement; but that harbors are railroad terminals; harbors are where the railroad runs up alongside of the ship and discharges freight into the ship, and where the ship goes up alongside of the railroad and transfers its cargo to the railroad. That is what a harbor is; and the railroads of this land are just as friendly as they can be to harbors. I do not know whether that is at all responsible for the friendship of some Senators for them. I am simply stating a fact, that a harbor is a part and parcel—and a necessary part and parcel—of the railroad system. How, in the name of common sense, could the great railroads operate which carry the enormous quantities of grain from the West and iron and its manufactures from the Middle and Western States to New York, to Boston, to Philadelphia, to Baltimore, and to Norfolk, for shipment to the markets of the world, unless there were deep harbors at those places, so that ships drawing 35 feet of water and more could come right up alongside of the

railroad? How could the big railroads which run to my section, to the city of New Orleans, to the city of Galveston, to the city of Mobile, and to the city of Jacksonville, do business unless they had big ships to which to transfer their freight? And how could the ships do business properly and economically unless there were deep water so that they could run up right alongside the railroads?

Ah, my friends, there never has been any opposition to harbors, and I am glad of it. I believe in harbors, but I also believe in waterways which are not adjuncts to and complements of railroads, but which are competitors of railroads. I believe in waterways which are rivals of railroads, which carry freight in competition with railroads, and which cheapen transportation to the American people. I believe in such waterways. I believe in the improvement of the rivers of this country. I believe in the improvement of the rivers and canals and connecting channels of this country. I believe in all that, as well as in the harbors. Some people here do not seem to believe in anything that means competition with railroads. Cooperation with railroads, yes; but no competition. Millions for harbors that are going to cooperate with railroads, but not a cent for rivers which are going to compete with railroads and put the transportation rates down, which are going to be better to regulate railroad rates than any interstate commission ever devised by man, and a thousand per cent better than any State railroad commission ever devised by man.

Ah, Senators, give me competition on the unmonopolized and unmonopolizable waterways of this land and I will show you cheap freights. Give me a place where there is no competition by water, where there is one railroad doing the business, and I will show you high rates; I do not care how many State railroad commissions you may have nor how many Interstate Commerce Commissions you may have.

Let me cite you one little case in my own State: The town of Ponchatoula, La., is 49 miles from New Orleans on the line of the Illinois Central Railway. The freight charge on sugar in carload lots from New Orleans to Ponchatoula is 17 cents per hundred pounds to go 49 miles. That same railroad then rushes on and on to the city of Cairo, Ill., 566 miles away, and the freight on sugar in carload lots to Cairo, 566 miles distant, is 17 cents per hundred pounds. Seventeen cents to go to Ponchatoula, an interior country town, away off from watercourses, where there is no possible competition by water, and 17 cents per hundred pounds to carry the same sugar 566 miles to Cairo, which is on the Mississippi River and the Ohio.

That is an actual instance, and, Senators, I could cite you hundreds of them; and yet there are men now within the sound of my voice who would destroy all water improvement, who are unwilling to have even the great Mississippi and the great Ohio and the great Missouri Rivers improved, well knowing that when improved they are going to be the greatest possible freight regulators and the greatest possible freight carriers.

Why do we not do it? Echo answers, "Why?" I do not know; but I know that the French are a mighty wise people, and I know they have a proverb which says, "*Cherchez la femme*"—"Find the woman." Who is the "woman" in all this opposition to the improvement of rivers and harbors? Who are the parties interested in preventing the development of rivals to railroads, if it be not the railroads themselves? They are going to be the beneficiaries if you do not improve these waterways.

If you kill the Ohio, the Mississippi, the Missouri, the Tennessee, the Cumberland, the Arkansas, the Red, the Brazos, the Trinity, the Black Warrior, the James, the Hudson, and the Columbia—all of these rivers—destroy them for commerce, who will be the beneficiary? Will it be the American people? Oh, no. Will it be the people who have to pay the money used in improving these rivers? Oh, no. It will be the railroads, which will then be able to charge much higher freights than they can charge now, because you can not successfully regulate them by your Interstate Commerce Commission. We have tried it and tried it and tried it, and so far we have failed. I for one want to keep on trying, and I hope the Senators who are so opposed to improvements for rivers and harbors will assist in regulating the railroads in the charges that they make to the people of this country.

One might just as well deny the accuracy of the multiplication table as to deny that the actual cost of moving freight by water is less than the cost of moving it by rail. Tables derived from actual experiments, which may be found in any engineer's handbook, show that on a fairly level road and at a speed of about 3 miles an hour a horse can pull about 2 tons; on a level railway it can pull about 15 tons; and on a canal, in a boat adapted to the depth and width of the channel, it can pull about 90 tons.

In another case the experiments were directed to ascertaining the amount of labor that a horse of average strength is capable of performing permanently without injury at different speeds on canal, railroad, and turnpike. It was found that at a speed of 2½ miles per hour it could work 11½ hours a day, and the useful effect, based upon the number of tons drawn 1 mile, was 14 by turnpike, 115 on a railroad, and 520 on a canal.

It is thus seen that, as compared with haulage by water, from 4 to 6 times the energy is required in hauling goods by rail and 30 to 50 times more force is expended in hauling it by road, which is true, of course, whether the motive power be a horse or an engine.

This statement, of course, refers only to the actual movement of freight. It is undoubtedly true that cases can be found where, because of lack of terminal facilities, the cost of loading and unloading is so high that the advantage due to the lower cost of movement is largely or entirely lost.

It should also be pointed out that the cost of transportation by water decreases very rapidly with increased width and depth of the channel available and with the increased size of boats thus rendered possible. It is this principle which underlies the enormous increase in the size of lake and ocean steamers in recent years and the enlargements of inland waterways which have been carried out by European governments. It is said that within reasonable limits the capacity of a navigable channel, it being understood that there must always be a proper relation between the width and the depth, increases as the cube of the depth; that is to say, a channel 10 feet deep is not simply twice as good as one 5 feet deep, but eight times as good, while a channel 15 feet deep would not be three times but nine times as efficient.

While it is undoubtedly true that movement by water is far cheaper than movement by rail, it is equally true that in the absence of protection by law railways can crush out water competition and destroy boat lines.

If you could put a railway alongside of a waterway, serving the same points and having no connection with any other railway, there is no question that the waterway would be able to successfully compete with the railway not only in the carriage of bulky commodities but in the carriage of a large part of the total traffic; but when a waterway is in competition with a railway at every point, while the railway is in competition with the waterway at only a few points, the railway can readily afford to put its rates so low at the points where it competes with the waterway as to drive the boats into bankruptcy, because the railway can charge rates sufficiently high on the much greater portion of its lines not subject to water competition to far more than recoup itself for the losses incurred in meeting such competition. This is exactly what has been done in the United States, and under existing law the railways are still free to make and do make rates low enough at water competitive points to make it difficult, if not impossible, to run boat lines profitably.

As soon as railway systems attained a large development in Europe traffic fell off on the waterways, and as the competition became more intense disappeared entirely on some of them. After a time, however, it was found, first, that railways alone could not handle all the traffic that needed to be carried; and, second, that the needs of industry could be met only by rates which were below the cost of railway operation.

Mr. Frank H. Mason, former United States consul general at Berlin, says:

"German statesmanship was among the first to foresee that the time would come when railways having reached their maximum extension and efficiency there would remain a vast surplus of coarse raw materials—coal, ores, timber, stone, and crude metals—which could be economically carried long distances only by water transportation, and that in a fully developed national system the proper rôle of railroads would be to carry passengers and the higher classes of merchandise manufactured from the raw staples that the waterways had brought to their doors."

In the report on the waterways of France, Germany, Belgium, and Holland, made by the distinguished engineer, W. H. Lindley, to the British Royal Commission on Canals and Waterways (see commission's report, vol. 6, p. 57), it is said:

"On the introduction of railways Germany passed through the same experience as other countries. For a long period the waterways lost their importance for the development of the traffic of the country."

"Renewed attention began to be paid to this means of transport about the middle of the seventies: Firstly, because water carriage offered great advantages for many purposes of transport and for many specially situated centers of industrial activity and consumption; secondly, because the opinion gained more and

more ground that the railways would be unable to cope with the great development of the traffic of the country, requiring the transport of goods in bulk; thirdly, because these goods could be transported more economically and cheaply by water; and, lastly, because the construction of both systems of carriage would tend to create and assure more favorable conditions for the development of the country.

"This movement led to a progressive development in the character and importance of the works for improving the conditions on the navigable waterways, and to a gradual but very considerable increase of the expenditure thereon."

After naming a number of the more important new works, Mr. Lindley adds:

"Parallel with these new works the existing works were improved as regards alignment, depth and width of channel, and size of locks. The object was to increase the carrying power of existing waterways from the estuaries of the rivers and from industrial areas to the large towns or districts forming centers of consumption, and by the construction of new lines to give cheap means of transport to important parts of the Empire for their requirements and for their products."

In Document No. 19, National Waterways Commission, Mr. A. M. Thackara, United States consul general at Berlin, says:

"Germany is fully alive to the fact that transportation facilities are the very foundation of the industrial prosperity of any country and appreciates the advantage of a complete and unified system of internal transport, both by land and water."

The largest amount of railway mileage in the world under one general control is found in Germany, and the largest mileage actually under one administrative head is the combined Prussian-Hessian railway system. A much larger share of the total revenue of the Prussian Government is derived from the operation of its railways than from any other source, and yet we find Prussia spending hundreds of millions of dollars on the construction of waterways which come into direct competition with the State-owned railways.

In the report of Consul General Thackara above referred to, page 65, it is said:

"Prussia is expending vast sums annually in improving and developing her waterways and thus virtually helping the competitors of her railway systems. The policy, however, is a far-sighted one, as land is reclaimed by drainage, fields are protected against floods and rendered fertile by irrigation, enhancing their taxable value, and thus increasing the revenues from taxation. The industries are encouraged by enabling industrial plants to be erected on what otherwise would be unavailable sites, with cheap water transport for raw materials and good rail connection for the distribution of the finished products, thus increasing the traffic on the railways. The welfare of the people as a whole is fostered and the vitality of the nation improved."

On pages 64 and 65 of the report already mentioned Consul General Thackara says:

"While there is active competition between the German railroads and waterways, the relations are friendly. * * * There is no legislation regulating the relations between rail and inland waterway systems of transportation; neither is there any governmental restriction on the lowering of their rates in competition with water rates."

Railway rates in Germany, however, are made by a governmental board, and, as has already been pointed out, this board acts under the general policy of the Government, which recognizes the fact that both railways and waterways are essential if industry and commerce are to reach their highest possible development.

J. Ellis Barker, in his book entitled "Modern Germany; Her Political and Economic Problems," page 420, says:

"If it were not for the existence of the German waterways, the German industries would certainly not be in the flourishing condition in which they are now. * * * Certain valuable products and by-products of the German mines and ironworks and the more bulky products of the chemical industries of Germany can, according to Maj. Kurs, who is a leading authority on inland navigation in Germany, only be sold in Germany and abroad owing to the cheapness of transport by water, and in many cases the profit is cut so fine that an increase of the freight charges by about one-fiftieth of a penny per ton-mile would inevitably kill important industries, which it seems are at present killing the industries of countries competing with Germany. Thus, Germany's industrial success is no doubt due to a very large extent to the immense assistance which she receives from her waterways."

On pages 429 and 430 he adds:

"A few years ago a statement was published, according to which the two Provinces of Rhenish Prussia and Westphalia,

which cover but 15 per cent of the German territory, and which possess 29 per cent of the population of Germany, consumed no less than 71 per cent of the coal used in that country; they produced 81 per cent of the iron and 86 per cent of the steel made in Germany and they kept 83 per cent of the German spindles running. * * * If we inquire why this district, which by nature is so little favored compared with Great Britain, where harbors, excellent coal, iron, and manufacturing towns are found in the closest proximity, is the most strenuous, the most successful, and the most dangerous competitor to those British industries which are so greatly favored by nature, we find that the industrial success of the Rhenish-Westphalia district would have been impossible had it not been for the cheap carriage of goods afforded by the Rhine."

In the 30 years from 1875 to 1905 the traffic on the waterways of Germany increased from 1,798,000,000 to 9,300,000,000 ton-miles, or 417 per cent.

During the same time the traffic on the German railways increased from 6,758,000,000 to 27,652,000,000 ton-miles, or 309 per cent.

In the meantime the railway mileage had been considerably more than doubled, while the waterway mileage had increased but little, although the waterways had been enlarged and made more efficient.

The importance of water transportation in Germany is shown by the fact that at several of the largest inland cities the receipts and shipments by water are practically as large as those by rail. Since 1885 the waterways focusing at Berlin, which are practically all canals, have carried from 40 to 50 per cent of the total receipts and shipments, it being only in recent years that the receipts by rail have exceeded those by water. (Paul Goehs, Berlin als Binnenschiffahrts-Platz. In Staats- und Social-Wissenschaft Forschungen Heft, 147, 1910, p. 111.) Quoted in final report of the National Waterways Commission, page 481.

At the ocean ports of Germany the receipts and shipments by river are much larger than those by rail. For instance, in Hamburg, in 1908, the receipts by rail were 3,357,477 tons; the shipments, 1,879,246; a total of 5,236,723 tons.

In the same year the receipts by river were 3,082,776 tons, and the shipments by river were 5,522,724 tons, a total of 8,605,500 tons.

There is a similar condition of facts at Amsterdam and Rotterdam, which, while they are located in Holland, depend largely on the Rhine and other German waterways for their exports and imports. At Rotterdam from two-thirds to four-fifths of the entire commerce is interchanged between ocean steamers and canal and river barges without touching a dock at all.

During the debate on the last river and harbor bill the Senator from Iowa [Mr. KENYON] criticized the building of canals to connect great bodies of navigable water along the Atlantic Coast, asking why the ocean should not be used, and the Senator from Ohio [Mr. HARDING] said: "We have got to an age where the American people, at least, are on wheels; and you can not supplant the automobile and the railway car with anything like an antiquated canal boat or anything else that you can develop on our rivers. * * * Nobody would tolerate nowadays a freight shipment by a canal boat."

It is a curious coincidence that just at the time these utterances were being made in the Senate of the United States a number of firms in Philadelphia were putting the finishing touches on a line of steam canal boats to run between that city and New York, going by way of the Delaware River and the Delaware and Raritan Canal. This canal was completed in 1838 and can be used only by boats with a draft of about 7 feet and a width of 23 feet. It is a type of canal that nobody would think of building to-day. It should be noted that the Pennsylvania Railroad has four tracks in its main line from Philadelphia to New York, and one or two tracks in the parallel line running from Camden across the river from Philadelphia on the easterly side of the river. The Baltimore & Ohio road has at least two tracks—I think there are three—and there are other lines a trifle longer, but still useful and actually used for freight service between the two cities.

In addition there is a splendid channel in the Delaware River, and boats of every size, from tugs to great ocean-going steamers, can go down the river from Philadelphia and by the ocean to New York.

With all these facilities at their command these firms in Philadelphia and Camden found it to their interest to put on a line, which began service during the last week in May, consisting at first of four steam canal-boats of 125 tons capacity each, to which two more have since been added.

In many instances water transportation is sought because it is cheaper than transportation by rail, but in this case the "Blue B Line," as it is called, has adopted the classification and the tariff of the railroads entire. Everything that is carried is carried exactly at the same rate that the railroads charge. The point is that it takes anywhere from 3 to 10 days to get goods from one city to the other by rail, while by the barge line, running through an out-of-date canal, goods leaving either city at 4 o'clock in the afternoon are delivered in the other before noon on the following day. Among the firms backing the new enterprise are Miller Bros. Lock Co., Henry Disston & Sons (Inc.), the great saw manufacturers, and the Victor Talking Machine Co., no one of which can properly be characterized as "nobody."

In spite of the difficulties in the way of operation through the Erie Canal, because of the construction of the new barge canal, a line called the "Follette Line" is operating between New York and Buffalo, as it certainly did last year, and I think for some time previously, connecting with lake steamers, which make a through route to Cleveland and Detroit. The State of New York is spending more than \$150,000,000 on the new barge canal, and the prospect for any return upon the investment is poor, indeed, if "nobody" will accept a shipment of goods in a canal boat. My judgment is that the new canal when finished will develop a great traffic to the immense advantage, not only of the State and city of New York, but to the State represented by the Senator from Ohio, and all the States bordering upon the Great Lakes. Furthermore, no one is trying to "supplant" either railroads or motor trucks—we want to supplement them.

The Senator from Ohio also said that "this wonderful land of ours is developed by railroads beyond any other nation on the face of the earth." * * * My recollection is that we have in this country five times the mileage, in proportion to population, that Europe has with its many government-owned railroads.

The Statistical Abstract of the United States states that the German Empire has 5.9 miles of railway per 10,000 inhabitants, while the United States has 25.6 miles, but that is not the only thing to be considered, for the same authority shows that the United States has 63.3 miles of railway per thousand square miles of territory, while the German Empire has almost exactly three times as much, or 189.3 miles.

In 1912, the last year for which complete statistics are available, the German Empire had 37,584 miles of railway, while the United States had 246,776 miles, or more than six times as much. It is a striking fact that on less than one-sixth of the mileage the German railways handled nearly as many tons of freight and nearly 740,000,000 more passengers than were handled on the railways of the United States, and the gross revenue per mile of line operated in that year was \$11,534 in this country and \$22,348 in Germany.

The claim has been made that freight rates per ton per mile are much higher in Germany than in the United States, but that is only apparently and not actually true. Ton-mile rates decrease with length of haul, and the most southerly point in Bavaria is only about as far from Hamburg as Pittsburgh is from New York. All freight hauls in Germany are short hauls compared to the great distances in the United States. In the next place, very much of the business which is carried by express companies in this country is carried by freight in Germany, some of it at double the regular rates, and some special fast service even at four times the regular rates, and these high rates for special service are all included when the German ton-mile rate is made up.

In 1905 the Prussian Government sent two commissioners, named Hoff and Schwabach, to this country to make a special study of our railroads, and, after an elaborate analysis of the relative services rendered by the railroads in the two countries, they said that for that year a true statement of the average freight rates would be 14.4 mills per ton-mile on the railroads of the United States and 9.5 mills per ton-mile on the railroads of Prussia.

Along with the constant boast that the average freight rate per ton per mile is lower in the United States than in Germany is the equally constant statement that our rates are too low and the railroads need more money. It is my judgment that if the United States should develop its waterways to the same extent that those of Germany have been developed we would find the same thing result, for the net returns on the German railroads, which are almost everywhere in direct competition with waterways, are very much larger than the net returns in this country. If the net returns from the German railroads from the time they were taken over by the States had been applied to paying the debt incurred in their purchase, that debt would

long ago have been completely extinguished, leaving the whole magnificent railway system of the German Empire, with all its equipment, as an absolutely net asset. It is interesting to note, too, that if we take the German railways and waterways together, including all cost of operation and maintenance and interest on cost of construction, the net revenue makes a percentage considerably larger than has ever been paid by the railroads of the United States. In 1905 the combined railroads and waterways of Prussia earned more than 7 per cent net on cost of construction and maintenance. During the same year 37.16 per cent of American railway stocks paid no dividends and the remainder paid only 5.78 per cent—only 3.63 per cent on stock as a whole.

In the case of the barge line from Philadelphia to New York the end sought was not the cheapening of transportation, but prompt delivery of freight. Some time ago I called attention to the new line established by the Inland Navigation Co. between St. Louis and New Orleans, which is carrying almost entirely high-class freight and is delivering it not only in less time but for less money than is charged by the railroads between the same points.

A few days ago the Senator from Missouri [Mr. STONE] and the Senator from Massachusetts [Mr. LODGE] made eloquent pleas for industrial preparedness in order that we might meet the competition for foreign trade that is expected when the present war in Europe comes to an end. The extraordinary rise in ocean freight rates since the war began has given a striking illustration of the way in which cost of transportation limits trade. On things which the warring nations could not get along without the high freight rates have been paid, but from American consuls in all parts of the world have come statements showing, first, the difficulty in getting goods carried at all; and, second, the impossibility of selling goods in the districts where they are stationed, because of the enormous increase in price due to high freight rates.

Many men have been killed, and it seems certain that many more will be killed before hostilities come to an end, but many men who are crippled will not be prevented from carrying on their skilled vocations, many others will have power to train and direct new workers, and one of the greatest revelations of the war has been the extent to which women can be employed in industries which were formerly given over to men, and the rapidity with which they develop skill for carrying on even the most delicate operations. No one who remembers the tremendous outburst of commercial activity which followed the close of the War between the States can expect anything else but a similar result in the nations of Europe now at war. The United States in 1865 had still a large portion of the continent to conquer and domestic trade absorbed practically all of our energies. To the nations in Europe the regaining of the foreign commerce lost during the war is absolutely vital to their future existence, and we shall find that they will take advantage of every possible method to decrease the cost of production and the cost of distribution, both of which necessarily enter into the final selling price.

Under these circumstances there is no question that the wonderful transportation system of road, rail, and river which has been so extensively developed already will be used with the highest possible efficiency. The statesmen of Europe are already looking forward—if, indeed, they have ever stopped looking forward—to the conditions which they must meet when the war has closed; and it is a startling commentary on the different viewpoints of the statesmen in the two continents that we find the comparatively small disturbance of business which was produced in the United States at the outbreak of the war, and the expenditures proposed to be made on the Army and Navy in this country—which, while large in themselves, are utterly insignificant compared to the enormous expenditures now being made by the countries in Europe at war—given as reasons why we should stop the expenditure of money on the rivers and harbors of the United States, while in France and Germany, fighting for their very lives, they are not only maintaining and operating the waterways they already have but are actually building more.

We can never reach the completest development of all our resources unless we have available the cheapest possible transportation; and one might as well deny the correctness of the multiplication table as to deny that a completely improved and thoroughly equipped waterway can furnish transportation more cheaply than any other method known to man. There are enormous resources in the United States which will never be developed until they have water transportation available, because they can not stand the cost of transportation, either by road or by rail. And there is food for serious thought in the fact that during every one of the 20 years ending with 1913 the

foreign commerce of Germany, a country much smaller than the United States, with less wealth, much less population, and vastly inferior resources, exceeded the foreign commerce of the United States by hundreds of millions of dollars, and the excess was steadily growing greater as the years went by.

In a country the farthest point of which from a great seaport is only as far as Pittsburgh is from New York the far-seeing statesmen of Germany have thought it wise to develop an intricate network of connecting waterways in order that cheap transportation should enable the development of the resources of every part of the Empire. In this country practically the whole interior of the continent is to-day dependent upon rail transportation, and the failure to develop our waterways will not only limit the total amount of foreign trade which we can secure in competition with nations better supplied with transportation facilities but will have a tendency to concentrate all manufacturing for export at points on or near the seacoast to the detriment of the interior of the country.

It is a curious fact that the State of Iowa is the only one of the States of the Union which showed an actual decrease in population at the last census; and, as I view it, if the distinguished Senator from Iowa [Mr. KENYON], who has so persistently fought appropriations for rivers and harbors, would study the situation carefully he would see that the future industrial development of his State will be vitally affected by the improvement and use, or the failure to improve and use, the waterways which run from the borders of his State to the waters of the seas.

On May 29 Senator KENYON said (CONGRESSIONAL RECORD, p. 10102):

"We are making appropriations for streams not over 1 foot in depth."

This is not a fair statement of the facts. It is true that some of the streams being appropriated for are not over 1 foot in depth during the low-water period, which in some instances lasts for four or five months, but those same streams have a fair navigable depth for seven to eight months of the year, and for that length of time are valuable commerce bearers for shallow-draft boats. These streams, as a rule, have a fairly good boating stage in the springtime, when the farmers are preparing for their crops, hauling fertilizer and spring supplies, and so forth, and in the fall when the crops are being marketed.

In considering this question let us remember that the Great Lakes, which have the most marvelous commerce on earth—fully 80,000,000 tons a year passing the Sault Ste. Marie and the Detroit Rivers—are closed by ice for about four months of every year, so that the ice on these waters is comparable to the stage of low water on some of the smaller streams which are criticized because of shallow depth for a few months of the dry season.

"You are about to vote from the Treasury in a time of great national stress and strain at least \$20,000,000 in unjustifiable projects. You have had an opportunity to correct them; you would not even correct the worst of them."

Let us examine this statement in regard to \$20,000,000 in unjustifiable projects and see how much truth there is in it.

Consideration of that bill—or, more properly speaking, the filibuster on it—lasted three weeks, and serious attempts were made to strike from the bill only seven items:

The Brazos River.....	\$200,000
The Trinity River.....	250,000
Elk and Little Elk Rivers.....	8,500
Nanticoke River.....	5,000
Ouachita River.....	240,000
Arkansas River.....	234,700
Intercoastal Canal—Norfolk to Beaufort.....	800,000

A total of..... 1,738,200

These seven projects were fully discussed and were retained in the bill by aye-and-nay votes, after being thoroughly explained and understood by the Senate.

A bluff was made at several projects, but no discussion thereon was had, and no record vote taken thereon, as follows:

Ohio River.....	\$5,000,000
Missouri River.....	1,350,000

A total of..... 6,350,000

The evils or bad features of these projects, aggregating \$6,350,000, if any exists, were not pointed out, hence the projects were not defended in detail, though many champions were ready to explain them and prove their worthiness in every respect had any serious attempt been made to strike them from the bill, as was done in the cases of the seven projects above named, where record votes were taken.

In addition to the above-named projects, aggregating \$8,228,200, sundry items were objected to by Senator Smoot

in a general manner, but no vote was asked thereon, and the specific bad features of which were not pointed out, to wit:

Sarasota Bay.....	\$2,500
Saint Petersburg Harbor.....	14,500
Hillsboro Bay.....	325,000
Apalachicola Bay.....	10,000
Saint Johns River.....	332,000
Virginia Waterway.....	1,000
Meherrin River.....	2,500
Fishing Creek.....	1,000
Bay River.....	1,000
Swift Creek.....	1,000
Cape Fear (above Wilmington).....	83,000
Cape Fear (below Wilmington).....	135,000
Flint River.....	60,000
James River.....	190,000
Rehoboth Bay.....	50,000

A total of..... 1,108,500

Which added to the \$8,228,200 above gives a total of projects referred to by name as being devoid of merit of \$9,336,700.

In addition, there was criticism of an item of \$25,000 for the Red River between Fulton and the mouth of the Washita River, of \$10,000 for a Government pier at the harbor of Lewes, Del., and of \$25,000 for a harbor at Arcadia, in Michigan. Adding these items it gives us a grand total of \$9,396,700.

Not even the wildest critics of this bill dared to say anything against the Ohio River, which carried a commerce in 1914 of 9,530,309 tons, valued at over \$93,000,000, although the existing project for a 9-foot depth is not half finished, and the river is in a most unsatisfactory condition. We can surely deduct the Ohio, therefore, and that leaves \$4,396,700 worth of so-called "unjustifiable" projects. I shall not discuss them all in detail, but shall mention four or five as an illustration of how wild the criticism of this bill has been.

For Hillsboro Bay the bill carries \$325,000. Its commerce in 1914 was 1,318,749 tons, valued at \$33,812,025. The term "unjustifiable" can certainly not be applied to such a commerce as that.

St. Johns River: Appropriation, \$332,000; commerce in 1914 was 1,408,040 tons, valued at \$52,707,535. That certainly looks "unjustifiable," does it not?

Cape Fear River, above and below Wilmington: Appropriation, \$218,000; commerce in 1914 was 960,024 tons, valued at \$31,506,417. How the term "unjustifiable" can be applied to this splendid commerce I can not see.

James River: Appropriation, \$190,000; commerce in 1914 was 452,950 tons, valued at \$32,813,455. That may be "unjustifiable," but it seems like a pretty good commerce to me.

Project.	Appropriation.	Commerce.	Value.
		Tons.	
Apalachicola Bay.....	\$10,000	129,775	\$1,714,822
Bay River.....	1,000	16,017	376,983
Swift Creek.....	1,000	27,781	197,030
Meherrin River.....	2,500	20,056	1,550,025
Elk and Little Elk River.....	8,500	44,111	164,882
Nanticoke River.....	5,000	167,007	8,548,708
Coosa River.....	30,000	46,339	1,642,987
Santee, Wateree, and Congaree.....	55,000	61,719	1,629,910
Altamaha, Oconee, and Ocmulgee.....	78,000	169,611	4,890,000

1914.

1913.

The Brazos, the Trinity, and the Ouachita Rivers are being improved by means of locks and dams, and the work is in such an unfinished condition as to be of practically no value, and until completed very little commerce can be expected to develop, as the condition of these rivers is very bad for many months of each year. On the Ouachita there is a considerable commerce, which amounted to 70,619 tons in 1915, valued at \$3,074,465, although the project is less than one-half finished.

On the Missouri River a promising business is developing through a boat line recently established at Kansas City, operating on the river from that city to St. Louis, which gives through bills of lading and provides for all terminal charges, transfer of freight from boat to rail, and vice versa.

A fair examination and criticism of every one of these projects, the only ones subjected to criticism during the three weeks' discussion of this bill, will show that there is merit in every one of them, and, while perhaps it might be advisable to discontinue work on several, it is very questionable whether the term "unjustifiable" can be applied to a single one of them. Certainly not to three-fourths of them in number and more than three-fourths in the amount being expended thereon.

Bear in mind that these criticized projects aggregate only \$9,396,700, which is very different from the \$20,000,000 "unjustifiable" projects referred to by Senator KENYON. To say the least, the critical Senator from Iowa was indulging in violent flights of fancy.

But it is so easy to criticize, so easy to pull down, and so hard to build up. If the Senator had devoted one-tenth of the time consumed by him in trying to destroy this bill in an earnest, sincere effort to find some better system, some wiser method of making appropriations for the absolutely necessary improvements of the Nation's waterways, it would have been so much better, and he might have accomplished something. A little boy with a sharp hatchet could in five minutes destroy the wonderful painting of the Battle of Lake Erie, which is the pride of our Capitol, but it would require years of labor of a great painter to reproduce it, and perhaps we could never find an artist to give us back that wonderful picture.

The present system of improving rivers and harbors may not be as perfect as could be devised, but it has been in existence for a long time; it was the system used by the Republicans during their 16 years of continuous power, and was brought to what they conceived to be a high stage of perfection by the ex-Senator from Ohio, Mr. Burton, when he was chairman of the Rivers and Harbors Committee of the House. No material changes have been made in that system since the act of 1907, which Mr. Burton characterized as the most perfect piece of river and harbor legislation ever passed. The last three rivers and harbors bills—those of 1914, 1915, and the current year—were framed along exactly the same lines as during the Burton régime, and the recent act, as reported to the Senate by the Commerce Committee, carried 280 items, of which 210 items were carried in the act of 1907. In other words, the pending bill provides for a continuation of prosecution of work on 210 projects out of a total of 280 that have been under way for many years that were inherited by the present Democratic administration from their Republican predecessors. Many of these projects were left in such an unfinished condition that it was absolutely necessary to continue work thereon, while others required annual appropriations for maintenance.

There were very sharp criticisms of the river and harbor bills of 1914 and 1915, and, as a result of prolonged filibusters, it became necessary to adopt lump-sum appropriations, a method unsatisfactory to everyone, which merely provided for existing projects, but no new ones whatsoever, and did not permit of the businesslike, vigorous prosecution to completion of many important works then under way. During these debates there was no suggestion of any better method, and every one of the critics admitted the necessity of doing a certain amount of river and harbor work.

The critics of the present bill admitted that. The Kenyon-Sherman substitute proposed a lump-sum appropriation of \$20,000,000, thereby admitting that the work must go on at least to the extent of \$20,000,000, but confined and limited to old projects already under way, and without any discretion being vested in the engineers to take up new projects, many of which perhaps are more meritorious than the old ones.

I might understand the opponents of this measure if they had suggested a lump sum of \$20,000,000, or \$25,000,000, or \$30,000,000, as they did suggest, if those sums were to have been placed in the hands of the Engineer Corps with full discretion to expend same on the waterways of this Nation, regardless of whether the projects had ever been adopted by Congress or not, and with full power and discretion to use same in any manner and for any projects, new or old, that seemed best to the Engineer Corps. Such a suggestion would at least have presented something new. Of course I should have opposed it, for I believe it is the province of Congress to decide whether or not a project should be adopted and money spent thereon, but our critics could offer no suggestion except a lump sum, tied hard and fast to old projects—the offspring of 16 years of Republicanism. They seemed to show a little interest in the progeny of their party in just wanting these old projects looked after, but wanting absolutely nothing done for new ones.

The Democratic Party tried to provide for a number of new and meritorious projects in the bills of 1914 and 1915, which were filibustered to death by Republican opposition. In the bill of this year, as it left the House, only one new project was carried, because the exigencies of the Treasury were considered so great that it was deemed not advisable to begin any new work at this time. The Senate committee added several new projects of great merit, which, in my opinion, strengthened the bill very materially, and two or three others were added during the debates on the bill.

On the whole, the measure is an excellent one. While there may be some defects in it, I know of nothing serious. I am convinced it is as free from error as any river and harbor bill ever enacted. I believe the system as good as can be devised, and it is certainly most unfortunate that so much prejudice has been aroused against a measure fraught with such great benefits.

I also ask to put in, as a part of my remarks, an article which I prepared for the American Academy of Political and Social Science. It was published in the Annals of that academy for March of this year. You perhaps are all familiar with this magazine. It is a very prominent one, published in Pennsylvania. The article is entitled "The high cost of the pork barrel." It is very apropos, and it is not long. I ask to insert that.

THE PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

THE HIGH COST OF THE PORK BARREL.

[By JOSEPH E. RANSELL, United States Senator from Louisiana.]

The term "pork barrel" has been so freely used in the press and various public addresses that it is well to understand its meaning before attempting to discuss it. In its general acceptance "pork," as applied to congressional legislation, means an appropriation by Congress for an unworthy purpose, that is not for the public good and useful to the Nation, but is for the private benefit of the Congressman who secures it, or for one or more of his constituents. The term conveys the idea that certain classes of legislation, such as pensions, public buildings, rivers and harbors, and some other bills, if not wholly reprehensible contain many improper items for objects which should have no place in acts of Congress. These bills are made to appear similar to the parable of the sower who got the cockle mixed with his wheat. Their wise provisions, which help the public and promote the general welfare, constitute the wheat and the selfish, unjust, and unwise items are the cockle, or "pork."

It has been observed that critics of "pork" always find it in other Congressmen's projects, never in their own. The appropriations for rivers, public buildings, and pensions in the district of Congressman A, the critic, are all right, in his opinion, and are without the slightest scent of "pork"; that smell exudes only from sums to be expended in the district of Congressman B. What a difference it makes whose ox is gored. In the press it is usually found that the severest critics of "pork"—especially river and harbor "pork," and more especially river "pork," since we seldom hear of harbor "pork"—are those publications closely allied to certain railroads which oppose river improvements because they fear water competition. The French say, "Cherchez la femme"—"find the woman." I have no doubt that when we "find the woman" in the case of most of these publicists, who see so many motives in the eyes of so-called "pork-barrel" Congressmen, it would not require glasses to discover railroad beams in their eyes.

SENATOR BURTON DENOUNCES CHARGE OF "PORK BARREL."

Ex-Senator Burton, of Ohio, who for 10 years was chairman of the Rivers and Harbor Committee of the House of Representatives, said before the convention of the National Rivers and Harbors Congress in December, 1909 (see convention proceedings, p. 106):

"My friends, the president of this congress will say to you that we have known no North, no South, no East, no West in the years we have been together. We have taken up projects according to the measure of their merit, and I can vouch that members of the committee in many instances have leaned over backward where their own localities were involved and have given closer attention to projects in other places. * * * You have had to meet the idea that there is a pork barrel somewhere. Whenever there is a man of superficial information on this subject or one who has had some project that has been turned down hard because it had to be turned down, that man begins to talk about the pork barrel. There has been no line of appropriations made by this Government more carefully guarded than appropriations for rivers and harbors. * * * I challenge anyone to cite an instance where that bill has ever been made up to gratify certain localities or to advance the interests of some Member of Congress in the House or Senate. * * * There has been no logrolling, no pork barrel, no regard for individual prospects or anything of the sort, no regard for any particular locality in the country."

What can I add to these words? Mr. Burton surely knew all about river and harbor legislation, and he had no motive to misrepresent facts.

As river and harbor legislation is the greatest sufferer from pork-barrel slanders, I will take that up first, and later give some attention to public buildings and pensions.

SLANDERS.

It is said of one of the famous French atheists, who despised Christianity with the utmost venom, that he told his followers, "Lie, lie, lie; some of your lies will stick." I sometimes wonder if this method is not taught by the enemies of river and harbor legislation, for it is hard to conceive otherwise how such baseless fabrications have been repeated again and again, until many well-disposed but ignorant people believe them to be true.

I have quoted above what ex-Senator Burton says about river and harbor "pork" and his indignant statement that "there has been no logrolling, no pork barrel, no regard for individual prospects, or anything of the sort, no regard for any particular locality in the country" in the preparation of river and harbor bills.

I was for 12 years a member of the Rivers and Harbors Committee of the House of Representatives, and for the past 3 years have been on the Commerce Committee of the Senate, which has charge of river and harbor legislation. Moreover, this subject has been a hobby with me, and I have studied it closely and from every angle for the past 15 years; hence, I ought to be a fairly competent witness. Every word uttered by Senator Burton is true. The committees of Congress did their utmost to enact laws in regard to rivers and harbors that were fair, just, and beneficial to the public at large, regardless of individual Congressmen, or private interests. I do not pretend to say that no mistakes were made, for to "err is human," but I insist, for reasons that I will explain later, that fewer errors were made in the preparation and passage of river and harbor bills than in any class of legislation enacted by Congress. I deny with all the force of my being that there was any real "pork" in the river and harbor bills passed by Congress during the past 15 years, and defy anyone to prove the contrary. I know that appropriations for certain projects have been criticized and held up to scorn and ridicule, but it is so easy to make an assertion, and so hard to disprove a slander. We are prone to believe everything evil we hear. The rules of legal evidence say that he who asserts must prove, but how much proof does the ordinary man require to convince him that a plausible story about some man's dishonesty or some woman's lapse from virtue is true?

The charge of "pork" in river and harbor legislation in effect is that the prominent people who advocated the project, the United States engineers who recommended it, and the Members of Congress—especially the House Committee on Rivers and Harbors, and the Senate Committee on Commerce—are grafters; that they have looted the Treasury; that they have put their hands in a barrel and pulled money or "pork" which belonged to the public and used it for corrupt purposes.

If we analyze this charge, it appears unreasonable on its face. If we were to grant that the local people who urge the project on Congress because of selfish interest—for their communities, not for themselves personally—are corrupt, and that their influence with their own Senators and Representatives could induce these officials to favor the project, then surely the 10 United States engineers who must give it their approval before it has any standing before Congress have no motive for promoting a vicious project; and the congressional committees charged with the duty of studying and reporting on it to their colleagues in both Houses can have no reason or incentive for favoring a project which is bad and unworthy, as it does not affect them or their people.

SPLENDID SAFEGUARDS FOR WATERWAY APPROPRIATIONS.

No bills that come before Congress are better safeguarded than those making appropriations for waterways, and it is almost impossible to put through an unworthy project. Following is a brief statement of the steps preceding the adoption of a project; whether it be one of great general importance costing millions, or some obscure river or inlet of only local interest, the process is the same.

A bill is introduced in the House or Senate asking a survey of the proposed project, and, if thought worthy on *prima facie* showing, the survey is included in the next river and harbor bill. The Chief of Engineers then directs the United States engineer in charge of the locality, usually an officer with the rank of captain or major, to make a preliminary examination and report, showing feasibility, prospective cost and benefits, and every ascertainable fact. This report goes first to the colonel in charge of the division, then to the Board of Engineers for Rivers and Harbors, composed of seven United States engineers of high rank, and finally to the Chief of Engineers. If the local engineer reports adversely, that usually settles it, and the matter is dropped, though occasionally he is overruled by his superiors. If the local engineer finds the project apparently worthy, he so reports, and his opinion, after most careful consideration by his superiors, is affirmed or disapproved.

Should the Chief of Engineers, in the light of all the facts and suggestions of the local engineer, the division engineer, and the Board of Engineers for Rivers and Harbors, conclude that the project is worthy of an actual survey, it is ordered referred back to the local engineer. A survey party is then placed in the field and an elaborate survey is made to ascertain every fact bearing upon the project, including cost, commerce present and prospective, and everything helpful to Congress in reaching a final conclusion upon its merits and demerits. This survey usually requires several months, and, in the very important projects, one or more years, and no reasonable expense is spared to get all the facts. The report then goes to the division engineer, who attaches his views and forwards it to the Board of Engineers for Rivers and Harbors.

This board has offices in the city of Washington, and in addition to a careful review of the reports of the local and division engineers, it gives hearings, pro and con, to interested persons. Moreover, if the project is a costly one the board frequently examines it in person, as it did recently when the entire membership of seven colonels investigated the Missouri River below Kansas City. The findings of this board, accompanied by reports, evidence, maps, etc., then go to the Chief of Engineers, who renders a final decision, which is transmitted through the Secretary of War to Congress, and the whole record is published as a public document for all the world to see. And if the project is not regarded as worthy either by the Board of Engineers for Rivers and Harbors or the Chief of Engineers, it is not considered as having legislative status. In other words, Congress will not appropriate for waterway projects unless approved as above indicated, except in very rare cases, when the amount involved is quite small and Congress has conducted an independent investigation for itself.

Bear in mind that the United States engineers are the honor men of West Point, the pick and flower of the American Army; that many of the ablest and best men of our Republic, including the builders of the Panama Canal, have been United States engineers; that they have disbursed over three-fourths of a billion dollars on waterways with only one scandal—that at Savannah; that they hold office for life; that they are not interested personally in the localities where they serve for three or four years and then leave, never to return in most cases; that not only one engineer, but ten, must investigate and report in writing for publication upon a waterway project before Congress will consider it.

How would it be possible for anything smelling of "pork" or graft to run such a gantlet? The charge of "pork" in connection with river and harbor legislation is preposterous. It is made by enemies of waterway legislation who have no regard for truth.

River and harbor bills are not pork-barrel bills, but commerce builders.

PUBLIC BUILDINGS TEACH PATRIOTISM.

Appropriations for public buildings to be used by Congress and by the departments of the Government at Washington and for use as customhouses, courts, post offices, etc., throughout the Republic, have been sharply criticized, and the cry of "pork" frequently leveled at them. Perhaps a few of these buildings were not really needed and too great expense may have been incurred in constructing some of them. The scope of this article does not permit a detailed discussion, but let me suggest that all these buildings, without a single exception, were for the use and benefit of the general public and could not, except in the most indirect way, be of any advantage to private persons, though the Congressman who secured them received the plaudits of his constituents and in some instances obtained political rewards. These expenditures were all investments and the Government owns the buildings and other property in evidence thereof. Some were wise and returned large interest on their cost; others were not so good, but in the main they have turned out as well as average real estate investments.

As an instance of how substantially our Government usually builds, let me relate a personal experience at the city of San Francisco. Mrs. Ransdell and I visited its ruins a few months after the great earthquake and fire. We traveled for miles through a scene of awful desolation, with masses of every imaginable building material which fire could not consume scattered and twisted and gnarled in the most

inextricable confusion. The splendid city hall, erected at a cost of \$7,000,000 was completely destroyed. The only structures which withstood the shock of quake and fire were the United States post office and customhouse. They were somewhat injured, but business was being conducted in them, and everything near them was in ruins. I could not have believed this had I not seen it myself.

Let me emphasize one feature connected with public buildings that is often overlooked, and that is their great value as teachers of patriotism. In many interior towns, where the population is about four thousand and upward, public buildings are used for the local post office and Federal court. These buildings in the smaller places rarely cost over \$50,000, but they are built in the best style of architecture and of the very best material. It is the most notable structure in the town and is the observed and admired of all observers. To look at it makes one proud he is an American citizen. The United States flag is always flying over it—an emblem of our National Union, power, and glory; our right to free speech and free conscience, and all that makes a government loved and honored by its people. In some localities the Stars and Stripes are seldom seen except on the staff of a public building, where they sing a continuous anthem in honor of our country and teach patriotism 365 days in every year.

Surely river and harbor and public building legislation is not fairly open to the charge of "pork," but the same can not be said of our pension bill.

THE PENSION ABUSES.

A discussion of the abuses of our pension system is a delicate and difficult matter. Patriotism is a virtue which is implanted deep in the American heart, and a leading attribute of patriotism is gratitude to those who have shed their blood in their country's defense—who heard and answered her appeal in time of direst need. No one, and certainly not I, would deprive any soldier who was disabled in the service of his country of a pension. Every dependent widow of a soldier who was killed or disabled while fighting for his native land should be pensioned. What I shall say is aimed not at our pension system, but at its abuses—abuses which have made the title "pensioner" appear more like a term of dishonor than a badge of glory.

Since the beginning of our Government we have expended \$5,025,193,970 for pensions—a sum more than six times as great as all river and harbor appropriations during the same period, and two-thirds more than all Navy expenditures during that time. Of this colossal sum, all but \$96,000,000, or \$4,928,748,525, has been distributed since 1865.

A brief study of our annual pension appropriations is illuminating. After the Civil War our pension disbursements naturally increased as more and more names were placed on the rolls. In 1874 they had reached \$30,000,000, and then the decline began; but then also began the period of artificial pension legislation of questionable propriety. Up to 1878 pensions were paid only to disabled soldiers and their dependents, but in 1879 Congress passed a law granting full arrears to all persons entitled to pensions, and our expenditures leaped, in two years, \$20,000,000—from \$37,000,000 in 1878 to \$57,000,000 in 1880. This increase was so great that Congress then passed an amendment providing that the claim for arrears must have been filed prior to 1880. Through the payment of arrears our pension appropriations soared, and in 1888 had reached \$82,000,000. In that year the limitation as to the time of filing a claim for arrears so far as widows were concerned was removed, and this opened the door to all kinds of fraud. The tempting prize of thousands of dollars of arrears was too much for numbers of "widows," many of whom were negroes, and there can be no doubt that many persons were beneficiaries of the Government's bounty who were not entitled to it.

AN ERA OF EXTRAVAGANCE.

Under the influence of this legislation and of "Corporal" Tanner, a member of the Grand Army of the Republic, who became pension commissioner at that time, and who is credited with the statement "God help the Treasury surplus when I get at it," our pension bill grew in two years to \$109,000,000. In 1890 an act was passed pensioning every soldier who had served not less than 90 days in the Civil War, and was so disabled that he could not earn a living by manual labor, but the disability need not have arisen from war service, provided it was not caused by vicious habits. The act also pensioned widows of soldiers who had married before 1890, and provided that they need not prove that the soldier's death was due to causes brought on by the war. The result was that our pension disbursements skyrocketed \$52,000,000 in three years, and reached \$161,000,000 in 1893. The strong stand of President Cleveland checked this waste of public funds for a while, and the efforts of the Commissioner of Pensions under him, Mr. William Lochren, unearthed enormous frauds. Mr. Lochren dropped 2,266 names from the pension rolls, and reduced the ratings in 3,343 cases. Pension disbursements, under his administration and without any change in the law, fell from \$161,000,000 to \$143,000,000 in a single year.

To show how graft of all kinds had permeated our pension system, let me point out that in 1899 Commissioner of Pensions H. Clay Evans, after investigation, disqualified 24,662 of the registered pension attorneys, leaving only 18,431 to practice before the bureau.

It is impossible, however, to go into particulars. In 1907, 1908, and 1912 further pension legislation was passed, and now we have practically a service pension, as every veteran over 62 years of age, even though not disabled, is entitled to a pension. The War between the States is a memory of 50 years ago. Five years after the war, in 1870, there were 198,000 pensioners on the rolls; in 1915, half a century after the declaration of peace, there were 748,147 persons receiving Government aid, of whom 691,606 are Civil War pensioners. In 1870 our pension bill was \$29,000,000; in 1915, it was \$166,000,000; and bills have recently been introduced providing for larger and more pensions.

OUR PENSION DISBURSEMENTS LARGEST IN THE WORLD.

Our pension disbursements in 1913 were \$176,714,000—five times as much as France, seven times as much as Germany, ten times as much as Great Britain, and twenty-three times as much as Austria-Hungary. These four great European powers combined spent for pensions that year only \$84,000,000, or less than one-half as much as the United States.

Let me repeat that every soldier who was disabled or whose health was impaired during the war, and his dependents after his death, should have a pension, but no one is entitled to Government aid simply because he enlisted for 90 days, even though he had never seen a battle field and had suffered no injuries whatsoever.

Now, what is the method of obtaining a pension? Let us assume that a man claims to have been disabled during the war and desires a pension. He files an application with the Pension Bureau, and if the War Department can give no information as to his disabilities he is requested to furnish evidence. This evidence is purely of an *ex parte*

character, and consists of affidavits filed by the soldier, from comrades, officers in his regiment, etc., alleging that they knew personally of his injury. This was a fruitful source of fraud, especially some years ago. There was a natural tendency among the old soldiers to reciprocate with each other on the principle, "If I swear to his 'disability,' he will swear to mine." And every doubt is solved in favor of the old soldier.

SOME STRIKING ILLUSTRATIONS.

Two instances of "disability" will be instructive.

Mr. Charles D. Long, while serving actively as judge of the Supreme Court of Michigan, was drawing \$72 per month for "total and permanent helplessness," though this pension was reduced in 1893 to \$50 per month.

Gen. John C. Black in 1878 was pensioned at the rate of \$100 per month by special act of Congress on the ground that he was "a physical wreck, maimed and diseased, incapable of any effort, and much of the time confined to his bed." Since then this "physical wreck" was Commissioner of Pensions for four years, served one term in Congress, and later was chairman of the Civil Service Commission for nine years, during all of which time he continued to draw his pension of \$1,200 per year in addition to his salary of \$5,000 as commissioner, \$5,000 as Representative, and \$4,500 as chairman of the Civil Service Commission. These are but two striking cases, though a great many similar ones could be cited.

THE MIGHTY PENSION GRIP.

Surely, if there is "pork" in any congressional legislation, it is in our pension bills. So skillfully distributed has been this form of Government bounty, and so closely akin to love of country is gratitude to the worthy veteran, that men's voices have been stifled when they should have been raised in protest against the abuses of our pension system. So-called "reformers" who attack river and harbor legislation dare not turn the searchlight of publicity upon the evils that have crept into our pension disbursements; they dare not call attention to the real "pork barrel," the pension bill, because many pensions, and more liberal pensions, are very near and dear to the 748,000 recipients of the Government's favor, and their relatives and friends, who are powerful at the polls.

Some idea of the importance of pension gratuities as purely financial propositions appears from the fact that in 1915 the amount paid in pensions to citizens of Ohio was \$15,666,000; Pennsylvania, \$15,275,000; New York, \$13,791,000; Illinois, \$11,409,000; Indiana, \$10,096,000; Iowa, \$5,621,000; and Wisconsin, \$3,995,000. Let us compare this Ohio fifteen and a half million pension crop, which never has a bad year and costs its beneficiaries nothing, with the Louisiana sugar crop, worth about twenty to twenty-five millions gross per annum, which is very expensive to produce and is frequently the victim of bad seasons and adverse legislation. Is it any wonder that Members of Congress from Ohio are pension enthusiasts?

THE SPECIAL PENSION BILL EVIL.

But the story is not yet told. Our pension laws are liberal, very liberal: in fact, they practically give a service pension, and every surviving Civil War veteran is believed to be on the rolls. Liberal as are these laws, they do not include all who desire pensions, and covering these cases, special bills are introduced giving a pension to, or increasing the pension of, some individual. Sometimes the bill is to correct the military record of a deserter, and grant him an honorable discharge so that he may draw a pension under the existing law. Since 1861 Congress has allowed 47,398 pensions by means of special acts. Of these, 21,648, with an annual value of \$6,640,722, are still on the pension roll. The Sixty-third Congress passed 5,061 private pension bills at an annual cost to the Government of \$1,526,598.

These acts give pensions or increase of pensions to those who can not qualify under existing most liberal laws, because of lack of evidence as to service, desertion from the ranks, not sufficient "disability," or for some other reason. Some of these bills may be worthy, but an immense number of them are not. No safeguards are thrown around pension legislation; no investigation is made prior to the introduction of the bill, and its consideration by the pension committees of Congress must necessarily be brief and cursory, when we recall that 5,061 bills of this character were passed last Congress, and, of course, this is only part of the number introduced and investigated by the committees. It is a physical impossibility to give each of these special bills a calm, judicial investigation in order to ascertain the real facts. They are of necessity put through in a hurry.

An examination of the CONGRESSIONAL RECORD shows that among the chief offenders in the introduction of these special pension bills are some of those "reformers" who have recently been so blatantly denouncing river and harbor appropriations. In one instance, three-fourths of all the bills introduced during the Sixty-third Congress by a Member who was very bitter in his criticism of river and harbor "pork" were special pension bills.

PENSION EXTRAVAGANCE SHOULD STOP.

Our Civil War pension laws are written upon our statute books, and probably the greater part of the disbursements caused by them have already been made. Let us hope so at least. These legislative mistakes are part of our history. We can not correct them, but we can and should prevent the enactment of similar legislation in regard to wars since the Civil War. There are now 28,912 Spanish War pensioners on our rolls, and they received last year \$3,851,701. This is entirely legitimate, for it is only proper that the Republic should pension those who were disabled in its service and their dependents, and the dependents of those killed in its service, but we must beware of entering upon a career of artificial legislation for these veterans, such as characterized the period after the Civil War.

PENSIONS CONFER ONLY PRIVATE BENEFIT.

Let us remember that the \$5,025,193,970 paid for pensions have been mere expenditures; money which we have had to pay out and from which no dividends have ever been derived. These vast sums have been all outgo and no income. Pension bills are in their nature private bills. They give money to private individuals, and no one is directly benefited by a pension except the party receiving it.

On the contrary, bills for public buildings and rivers and harbors are public bills—they disburse money for public purposes and the public gets the benefit. The Government, like a vast business corporation, must have houses in which to conduct its affairs. It must build or rent offices, post offices, courthouses, customhouses, etc., and these structures, for which in all \$363,967,276 has been appropriated, are the property of the Government—they belong to and benefit all the people, and not any particular individual. They are public assets, and in most cases have earned fair interest on their cost.

SPLENDID WATERWAY INVESTMENTS.

The \$800,000,000 appropriated for waterways since the American Revolution are investments which have yielded, and will continue to yield, in their great aids to transportation perpetual dividends to the American people. For the stupendous sum of more than \$5,000,000,000 lavished on pensions we have nothing, absolutely nothing, of tangible public benefit to show. That money is gone, and gone forever. For our river and harbor expenditures, however, we have, and posterity will have for all time, our splendid improved harbors, great marts of trade, where giant ships dock at their wharves; our Great Lakes, vast inland seas, where a hundred million has been spent, and which carry the largest and cheapest volume of water-borne freight on earth; and our rivers, like the Ohio and the Black Warrior, heretofore almost unnavigable, but now being improved by locks and dams and made great arteries of commerce. These are permanent public works which help to make our country the richest and best on the face of the earth. Improved waterways are freight carriers and rate regulators; they are commerce builders; they are creators of prosperity. There are only three cities in the United States of over 150,000 population, and none reach 250,000, which are not on navigable water. Practically every metropolis of ancient and modern times, was located on a navigable stream or the ocean. Improved waterways make quick, convenient, and economical transportation, and such transportation of products is essential to national prosperity.

To summarize, I am convinced that charges of pork barrel, as applied to rivers and harbors and public buildings, are in the main unjust and slanderous; but I can not say the same about pensions. And not only has pension legislation been enormously expensive in actual outlay of money, but I fear its advocates have done much to demoralize American politics and to lower the high standard in which Congress should be held. The cost of the pension pork barrel has been very high.

Mr. SMOOT. Mr. President, the hit bird generally flutters; and evidently Gov. Hughes, in every speech that he has so far made on his campaign tour, has hit some Democratic bird, for we see them fluttering in the Senate every day, and we hear of their fluttering in the House. I hope the same practice will continue in the future that has been happening in the Senate in the last few days. We have had an exhibition on the floor of the Senate for the last three days, or I might say ever since Gov. Hughes entered on his campaign, that is most refreshing; and it certainly must show the American people that what Gov. Hughes is saying is hurting our Democratic brethren, or they would not undertake to answer his speeches as they have. I have felt sorry for those assuming to be critics.

But that is not what I rose for, Mr. President. I promised the Senator that I would call attention to some of the rivers that I referred to in asking him a question for which he so kindly yielded to me. In a speech made by me on May 20 of this year I called attention to the estimated cost to the Government for improving waterways to float actual commerce on a few projects that were provided for in the rivers and harbors appropriation bill. Of course, in that estimate that I referred to I did not include logs, for there is no need of classifying logs as commerce. If there is water enough for a log to float in, it will run down the river without any river improvement or without loading it on a boat. But I will admit, Mr. President, that there have been appropriations made in the river and harbor bills where there was no water in the so-called river or creek.

Mr. RANSDELL. I should like to ask the Senator to name one of them. I deny that statement absolutely.

Mr. SMOOT. Mr. President, I do not yield to the Senator.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. SMOOT. I have not the time now—

Mr. RANSDELL. I ask the Senator if he will not yield to me for a question.

Mr. SMOOT. No; Mr. President, I refuse to yield to an interruption in any such spirit as the Senator manifests at this time.

Mr. RANSDELL. Will the Senator name one of those streams?

Mr. SMOOT. I refuse to yield to the Senator.

The PRESIDING OFFICER. The Senator from Utah refuses to yield.

Mr. RANSDELL. The Senator can not do it.

Mr. SMOOT. The Senator knows that I can do it, as I did do when the rivers and harbors bill was under consideration.

Mr. RANSDELL. I wish he would. He can not do it.

Mr. SMOOT. On the Ohio River the freight carried, taking the appropriations that have been made for the river and figuring 4 per cent interest on the same, cost the Government of the United States \$5 a ton. Of course that means excluding the soft coal. In the case of the lower Mississippi it cost the Government \$35 a ton; the Arkansas, nearly \$20 a ton; on the Hennepin Canal, \$36.75 a ton; on the Missouri, a little over \$40 a ton; Muscle Shoals, \$41 a ton; the Aransas Pass Canal, \$80 a ton; the Brazos, \$80 a ton; the Red River, \$96 a ton; the proposed Muscle Shoals project, \$96 a ton; and the Big Sandy-Kentucky project, \$350 a ton.

Mr. FLETCHER. Mr. President, may I ask the Senator how he makes that calculation?

Mr. SMOOT. I take the appropriations that have been made for these rivers—

Mr. FLETCHER. For all time?

Mr. SMOOT. Why, certainly; just the same as anybody else would make an investment in a business. It is for all that the Government has expended.

Mr. FLETCHER. And then count the commerce for the last year?

Mr. SMOOT. I count the commerce for the last year, of course, because the commerce next year will be appropriated for the same as for this year. In fact, Mr. President, the commerce upon the rivers complained of has declined; in the case of some of them it has declined 50 per cent within the last four years. This is one reason why former Senator Burton changed his mind on such projects.

Mr. FLETCHER. And in the Senator's calculation he has not taken into consideration the commerce for all the years since the project was started?

Mr. SMOOT. Every year there has been an appropriation, and I have taken into consideration the commerce of each year with the appropriation that has been made; and I know that the Senator from Florida or the Senator from Louisiana would never put their money into such propositions as these. That is why this bill is called a pork-barrel bill. I believe in the improvement of the rivers and harbors of this country—I mean, the actual harbors and the actual rivers—and I have stated here numbers of times that I would prefer to see the appropriations increased rather than decreased upon such projects.

The Senator had a testimony meeting here this afternoon and called upon certain Senators to testify. Let us have the testimony now, Mr. President, of a Democrat, Mr. MCCLINTIC, of Oklahoma, and see what he says in relation to the bill to which the Senator has referred:

There has been spent over \$800,000,000 on rivers and harbors throughout the United States, and it is pretty generally agreed that one-third of this amount has been wasted. Recently there was published an interesting article entitled "Fetching the Gulf to Dallas," which shows that more than \$1,952,287 have been expended upon this project up to June 30, 1913. The article follows:

"An interesting exhibit in the 1914 catalogue of folios is the Trinity River in Texas. The plan is to make Dallas, 512 miles (by water) from the river's mouth, a seaport. The politicians and misguided business men behind the project propose to drown the deep baritone of bullfrogs on the Trinity's banks with the roar of steamboat whistles in midstream. But it is likely the frogs will be croaking for many years to come. The Trinity is being 'improved' by canalization—by open channel work and a system of locks and dams—in order to secure a 6-foot stage from Dallas to its mouth. In 1902 Congress appropriated \$125,000 to start the work, and to June 30, 1913, \$1,952,287 was appropriated for the job. It is estimated that \$581,622 more will be required to complete the project. The present bill carries \$155,000. Last year only 60,677 tons of freight were carried on the Trinity, and 44,863 tons of that was saw logs and cordwood."

Mr. President, I do not want to take the time of the Senate now to continue and read the balance of this article in regard to the Brazos and Old Washington and Waco, and so forth, but I want to call attention to the Beaufort Canal, which has an insignificant commerce. It receives a million dollars in the 1916 river and harbor appropriation bill. Millions are being squandered on this North Carolina scheme. Attention was called to it in the Senate. Did it do any good? None whatever—none whatever.

The Tennessee River carries \$944,000 for another canalization scheme, which benefits no one but water-power owners, contractors, and dredgers. All the actual waterway commerce amounts to less than 2 per cent of that handled at Ashtabula, Ohio, and yet we have spent \$11,000,000 on this wasteful scheme.

In the 1916 bill is \$710,000 for the Cumberland River, which floats only about 50,000 tons of actual commerce annually, or about 1 per cent of that handled by the little harbor of Ashland, in my own State. Nearly \$6,000,000 of Government money has been spent on the Cumberland in order to get that result.

The Arkansas, Ouachita, and Red Rivers receive about \$1,000,000 in the 1916 bill, in addition to over \$8,000,000 already spent by the Government. All the actual commerce on these three rivers combined does not amount to one-half of 1 per cent of that handled by either of the Chicago or Milwaukee Harbors.

The Trinity gets \$250,000 and the Brazos \$390,000 in this bill, or \$640,000 for two streams that do not furnish a half-dozen trainloads of actual freight the year around. And we have spent nearly \$4,000,000 developing a commerce that costs over \$80 per ton to float on these dry rivers.

June 25, 1914, ex-Senator Burton made this statement:

There should be a careful reexamination of each of these waterways.

Speaking of the then river and harbor bill—

and a policy adopted which squares with present conditions. The following are illustrations: On the Red River below Fulton, covering a distance of 475.4 miles, there was in the year 1912 a total tonnage of 44,967 tons. Of this amount, 42,640 tons were saw logs, of which the average haul was 131 miles, and lumber 1,100 tons. Of the balance of the freight, including lumber, amounting to 2,327 tons, part was carried 45 and part 80 miles. The total amount appropriated to date for this stream is \$2,765,377. There was no appropriation in the pending bill as it came from the House, but by a proposed Senate amendment \$100,000 has been inserted. The expense per ton to the United States Government for carrying this freight, including the lumber, can be approximately obtained if an allowance of 4 per cent is made on the amount appropriated to date and the prospective appropriation in the

pending bill is added. This interest on the investment would amount to \$110,735.08, and adding the \$100,000 appropriated would make a total of \$210,735.08. The cost per ton would be \$4.68, or if the saw logs are excluded the cost per ton would be \$90.56 and the cost per ton-mile \$1.53.

Mr. President, there is no Republican Senator who objects to proper appropriations for rivers and harbors, and far be it from me from ever objecting to an appropriation for a river or harbor anywhere in the United States the improvement of which will be a benefit to the people of the United States.

The Senator can not point to me as being one who is interested in the river and harbor appropriation bill on account of appropriations that go to my own State. Utah has never had a dollar in a river and harbor bill, and never will have; yet, as far as I am concerned, I would be just as liberal as any other Senator possibly could be on projects that are worthy of improvement and development.

I tell the Senator now that there is never going to be another river and harbor appropriation bill made up as they have been in the past. They will not be constructed as they have been in the past. There will not be the trading that there has been in the past. There will never be the "I tickle you if you tickle me" as there has been in the past. There will not be the pork in them that there has been in the past. We only lacked one vote of defeating this last river and harbor appropriation bill in the Senate of the United States. I believe, Mr. President, as much as I believe that I am alive, that there never will be another river and harbor bill of the kind and character that passed at this session of Congress.

I do not say, Mr. President, that similar measures have not passed before. The policy was commenced years and years ago.

Mr. FLETCHER. May I ask the Senator how many navigable streams there are in the State of Utah?

Mr. SMOOT. Mr. President, none at all.

Mr. FLETCHER. I ask for information.

Mr. SMOOT. Of course there are none, and I did not refer to it with any idea or with the intention of asking for an appropriation.

Mr. FLETCHER. The Senator mentioned that he never asked for an appropriation for Utah and seemed to imply that there was some virtue in it; and I wished to know if there were any such projects in his State.

Mr. SMOOT. I referred to it as a fact, that if I was in a position to approve of a project and advocate an appropriation with all my heart it would not be with the hope that I should also secure an appropriation that would go into my State. That is what I referred to, and I referred to it for no other reason.

I say, Mr. President, there are projects condemned by the Board of Engineers that have been appropriated for. Do we not remember one project in the last bill for which the engineers had not made an estimate? I objected to agreeing to the amendment that was offered to the bill in the Senate. It was requested that it should go over, but we found before that item was reached for a second consideration there was a favorable report from the engineers. Had conditions changed? Was there more water or less water between the date that it was asked to go over and the date that the report was made? It is just such things as these that we object to and that throw suspicion upon some of the reports that have been made.

I think Gov. Hughes has done what he ought to have done. He has served the interests of the American people by calling attention to the vicious practice of padding river and harbor bills.

Mr. President, I see it is time to conclude; but I want it distinctly understood that what I have said has not been inspired in any way by the speech made by the Senator from Louisiana, nor is it to be considered at all as an answer to his address. I do not care how often he or other Senators on the other side may attack the remarks made by Gov. Hughes. I think every time it is done it strengthens him. It shows, Mr. President, that what he is saying is hurting somebody.

I know the Senator from Louisiana has been interested in river and harbor bills. I know he has studied the question for years. I know his State is interested in the great Mississippi River. Mr. President, I have not referred to that river this afternoon in the few remarks I have made; but I know the Senator, if he had to put up the money for the Mississippi River, as a business proposition, judging by the commerce carried by that river, never would expend the amount which the Government is appropriating for it.

I should like, Mr. President, to support a project that would solve the problem of the Mississippi River overflows; but I do not believe that problem is going to be solved by the levee system. I believe that the waters have got to be controlled before they reach the river; that the floods have got to be prevented from flowing all at once into the river. I believe that

some means will have to be devised for controlling the floods which arise when the hot sun begins to melt the ice and the snow along hundreds of streams which pour their contents at one time into the Mississippi River.

Mr. President, what I have said has been said because the Senator asked me to refer to some of the rivers the commerce on which was out of all proportion to the amount of investment the Government has made.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 1351. An act providing for the discovery, development, and protection of streams, springs, and water holes in the desert and arid public lands of the United States, for rendering the same more readily accessible, and for the establishment of and maintenance of signboards and monuments locating the same;

S. 5466. An act to open abandoned military reservations in the State of Nevada to homestead entry and desert-land entry, and to amend an act entitled "An act to open abandoned military reservations in the State of Nevada to homestead entry," approved October 1, 1890;

S. 5976. An act to amend an act approved May 29, 1908, entitled "An act to amend an act to authorize the Baltimore & Washington Transit Co., of Maryland, to enter the District of Columbia," approved June 8, 1896;

H. R. 14299. An act to amend section 33 of an act to codify, revise, and amend the laws relating to the judiciary, approved March 3, 1911;

H. R. 14944. An act authorizing the Secretary of the Interior to transfer on certain conditions the south half of lot 14 of the southeast quarter of section 21, township 107, range 48, Moody County, S. Dak., to the city of Flandreau, to be used as a public park or playgrounds;

H. R. 16460. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917; and

H. J. Res. 193. Joint resolution authorizing the Postmaster General to provide the postmaster of Newark, N. J., with a special canceling die for the Newark two hundred and fiftieth anniversary celebration.

PETITIONS.

Mr. PHELAN presented a petition of the Eureka Development Association, of California, and a petition of the Home Industry League of California, of San Francisco, Cal., praying for the enactment of legislation requiring railroads and their employees to submit their controversies to the Interstate Commerce Commission for settlement, which were referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES.

Mr. OVERMAN, from the Committee on the Judiciary, to which was referred the bill (H. R. 15158) to amend the Judicial Code, to fix the time when the annual term of the Supreme Court shall commence, and further to define the jurisdiction of that court, reported it with an amendment and submitted a report (No. 775) thereon.

Mr. WARREN, from the Committee on Military Affairs, to which was referred the bill (S. 2461) for the reinstatement of Dr. B. R. Huntington in the Medical Corps of the United States Army, reported it with amendments and submitted a report (No. 776) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIAMS:

A bill (S. 6842) granting a pension to Susan A. Strickler; to the Committee on Pensions.

By Mr. REED:

A bill (S. 6843) to amend an act entitled "An act to create a Commerce Court and to amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as heretofore amended, and for other purposes," approved June 18, 1910; to the Committee on the Judiciary.

By Mr. JONES:

A bill (S. 6844) granting an increase of pension to Henry J. Austin; to the Committee on Pensions.

By Mr. OLIVER:

A bill (S. 6845) for the relief of the Pittsburgh & Castle Shannon Railroad Co.; to the Committee on Claims.

NAVAL APPROPRIATIONS—CONFERENCE REPORT (S. DOC. NO. 528).

Mr. SWANSON. I submit the conference report on House bill 15947, the naval appropriation bill, and ask that it be printed in the Record.

Mr. GALLINGER. I will ask the Senator from Virginia if there is a complete agreement?

Mr. SWANSON. There was not.

Mr. GALLINGER. It is not a complete agreement?

Mr. SWANSON. There are several very important matters still in disagreement.

The VICE PRESIDENT. The report will lie on the table and be printed.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15947) making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses, as follows:

That the Senate recede from its amendments numbered 5, 7, 8, 9, 21, 27, 28, 29, 30, 31, 34, 35, 37, 38, 39, 44, 48, 63, 93, 94, 95, 96, 97, 98, 99, 134, 173, 176, 177, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 194, 195, 196, 197, 204, 206, 245, and 250.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 13, 14, 15, 16, 17, 25, 26, 32, 33, 36, 42, 43, 45, 46, 50, 53, 55, 56, 57, 58, 59, 60, 61, 62, 64, 67, 70, 74, 78, 79, 81, 86, 87, 88, 91, 92, 101, 103, 104, 106, 107, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 126, 127, 128, 129, 130, 131, 132, 133, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 167, 169, 170, 171, 172, 175, 178, 179, 180, 181, 192, 193, 199, 207, 208, 209, 228, 236, 239, 242, 243, 244, 246, 247, 248, and 249, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with amendments as follows: Strike out the first word of said amendment and in lieu thereof insert "Hereafter an"; and at the end of said amendment change the period to a semicolon and add the following: "and hereafter an officer of the line of the Navy or Marine Corps may be detailed as assistant to the Judge Advocate General of the Navy, who shall, under similar conditions, perform the duties of the Judge Advocate General"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: Strike out all of said amendment and in lieu thereof insert the following:

"Hereafter such amount may be expended annually for pay of drafting, technical, and inspection force from the several lump-sum appropriations in which specific authority for such expenditure is given, as the Secretary of the Navy may deem necessary within the limitation of appropriation provided for such service in said lump-sum appropriations at such rates of compensation as the Secretary of the Navy may prescribe; and the Secretary of the Navy shall each year, in the annual estimates, report to Congress the number of persons so employed, their duties, and the amount paid to each."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In line 8 of said amendment, after the word "the" and before the word "employment," insert "temporary"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with amendments as follows: In line 3 of said amendment, strike out the words "a period" and insert in lieu thereof "periods," and at the end of said amendment change the period to a colon and add the following, "Provided further, That all moneys received from such leases shall be covered into the Treasury as miscellaneous receipts"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: At the beginning of said amendment, after the words "And provided further," insert "That at the time he is not under charges, or undergoing punishment, or in debt to the Government: Provided further"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter stricken out and the matter inserted by the Senate, insert the following:

"Gunnery and Engineering Exercises: Prizes, trophies, and badges for excellence in gunnery, target practice, engineering exercises and for economy in coal consumption to be awarded under such rules as the Secretary of the Navy may formulate; for the purposes of printing, recording, classifying, compiling,

and publishing the rules and results; for the establishment and maintenance of shooting galleries, target houses, targets and ranges; for hiring established ranges, and for transporting the civilian assistants and equipment to and from ranges, \$135,000."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of Senate amendment, insert "\$625,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with amendments as follows: Page 14 of the engrossed amendments of the Senate, line 19, after the word "connection" insert "east of the west building line of Second Street east"; page 14 of the engrossed amendments of the Senate, line 23, after the word "act" insert double quotation marks; at the end of said amendment, insert the following: "Provided further, That the Commissioners of the District of Columbia are authorized to lease, for periods not exceeding 10 years, such portions of Potomac Avenue and P Street between One-half Street and First Street SE., together with Public Reservation No. 247, and such portion of First Street SE. as may in their judgment be not needed for the public use, together with a water frontage of Potomac Avenue and said portion of First Street east, as abuts the Anacostia River and all the land of the United States in the area lying between said streets and avenue and the Anacostia River, to Lewis E. Smoot, of Washington, D. C., at a rental to be fixed by said commissioners: *Provided further*, That the said Lewis E. Smoot shall surrender to the Government of the United States his present leasehold on wharf property now held by him which is included in the land proposed to be added to the navy yard under the provisions of this act"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: At the end of said amendment change the period to a comma and add the following: "to be paid out of the appropriation, 'Pay, miscellaneous'"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with amendments as follows: At the beginning of said amendment strike out the words "purchase of" and insert in lieu thereof insert "for 88 acres of"; in said amendment strike out "\$90,000" and in lieu thereof insert "\$60,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: Change total to "\$78,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with amendments as follows: In lines 10 and 11 of engrossed amendment strike out the words "to be located in the city of Washington on land owned by the Government"; in line 14 of said amendment strike out "\$2,000,000" and in lieu thereof insert "\$1,500,000," and strike out "\$1,500,000" in said amendment and in lieu thereof insert "\$1,000,000" with the following proviso: "Provided, That nothing herein shall be construed as preventing or interfering with the continuation or undertaking of necessary experimental work during the fiscal year ending June 30, 1917, as heretofore conducted under other appropriations"; in line 15 of said amendment after the word "Provided" insert "further"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with amendments as follows: Page 24 of the engrossed Senate amendments strike out all of lines 6 to 15, inclusive, and in lieu thereof insert the following: "All officers now in the Dental Corps (including the officers appointed for temporary service) appointed under the provisions of the act of August 22, 1912, entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1913, and for other purposes,' and all officers now in active service appointed under the provisions of the act of March 4, 1913, who were eligible for appointment to the Dental Corps under the provisions of said act, shall be appointed dental surgeons in the Dental Corps without further examination and without regard to the age qualifications herein prescribed"; page 25 of the engrossed Senate amendments, lines 15 and 16, strike out the words "(except as may be necessary to adapt the said provisions to the Navy)"; page 26 of the Senate engrossed amendments, line 3, strike out the words "Navy Medical Reserve Corps and the," and in lines 4, 5, 6, and 7, strike out the words "respectively in the Navy Medical Reserve Corps as established under the pro-

visions of the act of August 22, 1912, and"; page 26 of the Senate engrossed amendments, line 10, strike out the word "they" and in lieu thereof insert the following: "officers of the Medical Reserve Corps and officers of the Dental Reserve Corps"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: Strike out everything after the caption and in lieu thereof insert the following:

"Hereafter the total number of commissioned officers of the active list of the line of the Navy, exclusive of commissioned warrant officers, shall be 4 per cent of the total authorized enlisted strength of the active list, exclusive of the Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps: *Provided*, That the total number of commissioned line officers on the active list at any one time, exclusive of commissioned warrant officers, shall be distributed in the proportion of 1 of the grade of rear admiral to 4 in the grade of captain, to 7 in the grade of commander, to 14 in the grade of lieutenant commander, to 32½ in the grade of lieutenant, to 41½ in the grades of lieutenant (junior grade) and ensign, inclusive: *Provided further*, That lieutenants (junior grade) shall have had not less than three years' service in that grade before being eligible for promotion to the grade of lieutenant.

"The total authorized number of commissioned officers of the active list of the following staff corps, exclusive of commissioned warrant officers, shall be based on percentages of the total number of commissioned officers of the active list of the line of the Navy as follows:

"Pay Corps, 12 per cent; Construction Corps, 5 per cent; Corps of Civil Engineers, 2 per cent; and that the total authorized number of commissioned officers of the Medical Corps shall be sixty-five one hundredths of 1 per cent of the total authorized number of the officers and enlisted men of the Navy and Marine Corps, including midshipmen, Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps. Officers of the lower grades of the Medical Corps, Pay Corps, Construction Corps, and Corps of Civil Engineers shall be advanced in rank up to and including the rank of lieutenant commander with the officers of the line with whom or next after whom they take precedence under existing law: *Provided*, That all assistant surgeons shall from date of their original appointment take rank and precedence with lieutenants (junior grade): *Provided further*, That to determine the authorized number of officers in the various grades and ranks of the line and of the staff corps as herein provided, computations shall be made by the Secretary of the Navy semi-annually, as of July 1 and January 1 of each year, and the resulting numbers in the various grades and ranks, as so computed, shall be held and considered for all purposes as the authorized number of officers in such various grades and ranks and shall not be varied between such dates.

"The total number of commissioned officers of the active list of the following mentioned staff corps at any one time, exclusive of commissioned warrant officers, shall be distributed in the various grades of the respective corps as follows:

"Medical Corps: One-half medical directors with the rank of rear admiral to 4 medical directors with the rank of captain, to 8 medical inspectors with the rank of commander, to 87½ in the grades below medical inspector: *Provided*, That hereafter appointees to the grade of assistant surgeon shall be between the ages of 21 and 32 at the time of appointment.

"Pay Corps: One-half pay directors with the rank of rear admiral to 4 pay directors with the rank of captain, to 8 pay inspectors with the rank of commander, to 87½ in the grades below pay inspector.

"Construction Corps: One-half naval constructors with the rank of rear admiral to 8½ naval constructors with the rank of captain, to 14 naval constructors with the rank of commander, to 77 naval constructors and assistant naval constructors with rank below commander: *Provided*, That vacancies in the Construction Corps shall be filled in the manner now prescribed by law, at such annual rate as the Secretary of the Navy may prescribe: *Provided further*, That hereafter ensigns of not less than one year's service as such shall be eligible for transfer to the Construction Corps.

"Corps of Civil Engineers: One-half civil engineers with the rank of rear admiral to 5½ civil engineers with the rank of captain, to 14 civil engineers with the rank of commander, to 80 civil engineers and assistant civil engineers with the rank below commander.

"Hereafter no further appointments shall be made to the Corps of Professors of Mathematics, and that corps shall cease to exist upon the death, resignation, or dismissal of the officers now carried in that corps on the active and retired lists of the Navy.

"When there is an odd number of officers in the grade or rank of rear admiral in the line or in each corps, the lower division thereof shall include the excess in number, except where there is but one.

"Whenever a final fraction occurs in computing the authorized number of any corps, grade or rank in the naval service, the nearest whole number shall be regarded as the authorized number: *Provided*, That at least one officer shall be allowed in each grade or rank.

"For the purpose of determining the authorized number of officers in any grade or rank of the line or of the staff corps, there shall be excluded from consideration those officers carried by law as additional numbers, including staff officers heretofore permanently commissioned with the rank of rear admiral, and nothing contained herein shall be held to reduce below that heretofore authorized by law the number of officers in any grade or rank in the staff corps.

"Hereafter pay and allowances of officers in the upper half of the grade or rank of rear admiral, including the staff corps and including staff officers heretofore permanently commissioned with the rank of rear admiral, shall be that now allowed by law for the first nine rear admirals, and the pay and allowances of officers in the lower half of the grade or rank of rear admiral, including the staff corps, shall be that now allowed by law for the second nine rear admirals: *Provided*, That officers shall take rank in each staff corps according to the dates of commission in the several grades, excepting in cases where they have gained or lost numbers.

"Hereafter chief boatswains, chief gunners, chief machinists, chief carpenters, chief sailmakers, chief pharmacists, and chief pay clerks, on the active list with creditable records, shall, after six years from date of commission, receive the pay and allowances that are now or may hereafter be allowed a lieutenant (junior grade), United States Navy: *Provided*, That chief boatswains, chief gunners, chief machinists, chief carpenters, chief sailmakers, chief pharmacists, and chief pay clerks, on the active list with creditable records, shall, after 12 years from date of commission, receive the pay and allowances that are now or may hereafter be allowed a lieutenant, United States Navy.

"Warrant officers shall receive the same allowances of heat and light as are now or may hereafter be allowed an ensign, United States Navy.

"Warrant officers shall be allowed such leave of absence, with full pay, as is now or may hereafter be allowed other officers of the United States Navy.

"Hereafter all promotions to the grades of commander, captain, and rear admiral of the line of the Navy, including the promotion of those captains, commanders, and lieutenant commanders who are, or may be, carried on the Navy list as additional to the numbers of such grades, shall be by selection only from the next lower respective grade upon the recommendation of a board of naval officers as herein provided.

"The board shall consist of nine rear admirals on the active list of the line of the Navy not restricted by law to the performance of shore duty only and shall be appointed by the Secretary of the Navy and convened during the month of December of each year and as soon after the first day of the month as practicable.

"Each member of said board shall swear, or affirm, that he will, without prejudice or partiality, and having in view solely the special fitness of officers and the efficiency of the naval service, perform the duties imposed upon him as herein provided.

"The board shall be furnished by the Secretary of the Navy with the number of vacancies in the grades of rear admiral, captain, and commander, to be filled during the following calendar year, including the vacancies existing at the time of the convening of the board and those that will occur by operation of law from the date of convening until the end of the next calendar year, and with the names of all officers who are eligible for consideration for selection as herein authorized together with the record of each officer: *Provided*, That any officer eligible for consideration for selection shall have the right to forward through official channels at any time not later than 10 days after the convening of said board, a written communication inviting attention to any matter of record in the Navy Department concerning himself which he deems important in the consideration of his case: *Provided*, That such communication shall not contain any reflection upon the character, conduct, or motives of or criticism of any officer: *Provided further*, That no captains, commanders, or lieutenant commanders, who shall have had not less than four years' service in the grade in which he is serving on November 30 of the year of the convening of the board, shall be eligible for consideration by the board: *Provided further*, That the recommendation of the board in the case of officers of the former Engineer Corps who are restricted by law to the performance of shore duty only and in that of officers who

may hereafter be assigned to engineering duty only, shall be based upon their comparative fitness for the duties prescribed for them by law. Upon promotion they shall be carried as additional numbers in grade.

"The board shall recommend for promotion a number of officers in each grade equal to the number of vacancies to be filled in the next higher grade during the following calendar year: *Provided*, That no officer shall be recommended for promotion unless he shall have received the recommendation of not less than six members of said board: *Provided further*, That the increase in the number of captains herein authorized shall be made at the rate of not more than 10 captains in any one year.

"The report of the board shall be in writing signed by all of the members and shall certify that the board has carefully considered the case of every officer eligible for consideration under the provisions of this law, and that in the opinion of at least six of the members, the officers therein recommended are the best fitted of all those under consideration to assume the duties of the next higher grade, except that the recommendation of the board in the case of officers of the former Engineer Corps who are restricted by law to the performance of shore duty only, and in that of officers who may hereafter be assigned to engineering duty only, shall be based upon their comparative fitness for the duties prescribed for them by law.

"The report of the board shall be submitted to the President for approval or disapproval. In case any officer or officers recommended by the board are not acceptable to the President, the board shall be informed of the name of such officer or officers, and shall recommend a number of officers equal to the number of those found not acceptable to the President and if necessary shall be reconvened for this purpose. When the report of the board shall have been approved by the President, the officers recommended therein shall be deemed eligible for selection and if promoted, shall take rank with one another in accordance with their seniority in the grade from which promoted: *Provided*, That any officers so selected shall prior to promotion be subject in all respects to the examinations prescribed by law for officers promoted by seniority, and in case of failure to pass the required professional examination such officer shall thereafter be ineligible for selection and promotion. And should any such officer fail to pass the required physical examination he shall not be considered, in the event of retirement, entitled to the rank of the next higher grade.

"On and after June thirtieth, nineteen hundred and twenty, no captain, commander, or lieutenant commander shall be promoted unless he has had not less than two years' actual sea service on sea-going ships in the grade in which serving or who is more than fifty-six, fifty, or forty-five years of age, respectively: *Provided*, That the qualifications of sea service shall not apply to officers restricted to the performance of engineering duty only: *Provided further*, That captains, commanders, and lieutenant commanders who become ineligible for promotion on account of age shall be retired on a percentage of pay equal to two and one-half per centum of their shore-duty pay for each year of service: *Provided further*, That the total retired pay shall not exceed seventy-five per centum of the shore-duty pay they were entitled to receive while on the active list.

"Except as herein otherwise provided, hereafter the age for retirement of all officers of the Navy shall be sixty-four years instead of sixty-two years as now prescribed by law.

"Nothing contained in this act shall be construed to reduce the rank, pay or allowances of any officer of the Navy or Marine Corps as now provided by law."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In said amendment strike out the word "commander"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: At the end of said amendment change the period to a comma and add the following: "less expenses of internment"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: At the end of said amendment change the period to a colon and add the following: "*Provided*, That this provision shall not be construed to reduce the pay and allowances of commissioned warrant officers as herein authorized"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: In line 2 of said amendment strike out the word "Harrold" and in lieu thereof insert "Harold"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with amendments as follows: Page 43 of the engrossed amendments of the Senate, lines 16 and 17, strike out the words "lieutenant of the line of the Navy and captain of the Marine Corps" and in lieu thereof insert the following: "the line of the Navy or Marine Corps according to his length of service"; same page, line 22, strike out the word "lieutenants" and in lieu thereof insert "officers," and, in line 23, strike out the words "captain of the"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: Page 50 of the Senate engrossed amendments, line 19, strike out the words "of a fleet" and in lieu thereof insert "or of a larger naval force afloat"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In said amendment, strike out the word "otherwise" and in lieu thereof insert "at shorter intervals"; on page 61 of the engrossed bill, line 6, strike out the word "is" and in lieu thereof insert "shall be"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 151, and agree to the same with an amendment as follows: In the next to the last line of said amendment, after the word "for," insert "temporary"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 165, and agree to the same with an amendment as follows: In lieu of the new matter inserted by the Senate, insert the following: "Naval reserve force in this act: *Provided*, That the Marine Corps Reserve may consist of not more than five classes, corresponding, as near as may be, to the Fleet Naval Reserve, the Naval Reserve, the Naval Coast Defense Reserve, the Volunteer Naval Reserve, and the Naval Reserve Flying Corps, respectively"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows: In lieu of the matter stricken out, insert the following: "All acts or parts of acts relating to the Naval Reserve which are inconsistent with the provisions of this act relating to the Naval Reserve Force are hereby repealed"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with amendments as follows: Between the first and second paragraphs of said amendment insert the caption "Naval Militia and National Naval Volunteers."

On page 60 of the Senate engrossed amendments, lines 4 and 5, strike out the words "or duly authorized equivalent official duty" and in lieu thereof insert the following: "or equivalent official duty duly authorized in lieu thereof in accordance with such regulations as may be issued by the Secretary of the Navy."

On page 70 of the Senate engrossed amendments, line 5, after the word "officers," insert "or enlisted men."

On page 67 of the engrossed bill, lines 19, 20, and 21, strike out the words "Capt. John Gardner Quimby, retired, to be a captain on the active list, to take rank next after Capt. Thomas S. Rodgers," and in lieu thereof insert:

"Capt. John Gardner Quimby, retired, to be a rear admiral on the active list, to take rank next after Rear Admiral Thomas S. Rodgers," and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with amendments as follows:

In lines 9 and 10 of said amendment strike out the words "at the session of Congress next preceding such examination" and in lieu thereof insert "in the month of January of each year."

Strike out the second paragraph of said amendment and in lieu thereof insert the following:

"Each member of said board shall receive while engaged upon duties as a member of the board not to exceed \$5 a day and actual expenses of travel by the shortest mail routes."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 200, and agree to the same with an amendment as follows: Change total to "\$703,946.92"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 203, and agree to the same with an amendment as follows: In line 2 of said amendment strike out the word "grades" and in lieu thereof insert the word "grade"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: Strike out said amendment and in lieu thereof insert the following:

"The President of the United States be, and hereby is, authorized, by and with the advice and consent of the Senate, to appoint as second lieutenants on the active list in the United States Marine Corps, to take rank at the foot of the list of second lieutenants as it stands at the date of reinstatement, former officers of the Marine Corps who resigned from the naval service in good standing: *Provided*, That they shall establish their moral, physical, mental, and professional qualifications to perform the duties of that grade to the satisfaction of the Secretary of the Navy: *Provided further*, That the Secretary of the Navy, in his discretion, may waive the age limit in favor of the aforesaid former officers of the Marine Corps: *Provided further*, That the prior service of such officers and the service after reinstatement shall be not less than 30 years before the age of retirement."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 240, and agree to the same with an amendment as follows: At the end of said amendment change the period to a colon and add the following: "*Provided further*, That this provision shall not be construed to deprive employees of any sick leave or legal holidays to which they may now be entitled under existing law"; and the Senate agree to the same.

On the amendments of the Senate numbered 19, 20, 24, 41, 51, 52, 54, 69, 71, 72, 73, 75, 76, 80, 82, 83, 84, 85, 174, 201, 202, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 229, 230, 231, 232, 233, 234, 235, 237, 238, and 241 the committee of conference have been unable to agree.

B. R. TILLMAN,
CLAUDE S. SWANSON,
H. C. LODGE,

Managers on the part of the Senate.

L. P. PADGETT,
J. FRED C. TALBOTT,
ALBERT ESTOPINAL,
THOMAS S. BUTLER,
ERNEST W. ROBERTS,

Managers on the part of the House.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On August 9, 1916:

S. 3069. An act to amend an act entitled "An act to amend an act entitled 'An act to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission," approved March 4, 1915.

On August 11, 1916:

S. 2500. An act authorizing the adjustment of rights of settlers on a part of the Navajo Indian Reservation in the State of Arizona; and

S. 4594. An act to validate certain declarations of intention to become citizens of the United States.

LAWS OF THE PHILIPPINES (S. DOC. NO. 529).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the Philippines and ordered to be printed:

To the Senate and House of Representatives:

As required by section 22 of the act of Congress approved July 1, 1902, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," I transmit herewith a set of the laws enacted by the Third Philippine Legislature during its fourth session, from October 16, 1915, to February 4, 1916, inclusive, and its special session, from February 14 to 24, 1916, inclusive, together with certain laws enacted by the Philippine Commission. These acts and resolutions have not previously been transmitted to Congress and none of them has been printed in the United States.

WOODROW WILSON.

THE WHITE HOUSE, August 11, 1916.

Mr. FLETCHER. I move that the Senate adjourn until 10 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m., Friday, August 11, 1916) the Senate adjourned until to-morrow, Saturday, August 12, 1916, at 10 o'clock a. m.